



Pikitup Johannesburg SOC Limited

Registration No: 2000/029899/07

2020/2021 Business Plan

Draft 2

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1. LIST OF ABBREVIATIONS

Abbreviation	Description
BCP	Business Continuity Planning
CAE	Chief Audit Executive
CCS	Commercial and Customer Services Department of Pikitup
CoJ	City of Johannesburg
DIFR	Disabling Injury Frequency Rate
EAP	Employee Assistance Programme
EIA	Environmental Impact Assessment
EISD	Environment and Infrastructure Services Department
EPWP	Extended Public Works Program
ERM	Enterprise Risk Management
ESP	Expanded Social Package
GDARD	Gauteng Department of Agriculture and Rural Development
GDS	City of Johannesburg Growth and Development Strategy
GHG	Greenhouse Gas
IDP	Integrated Development Plan of City of Johannesburg developed in terms of chapter 5 of Municipal Systems Act
IWMF	Integrated Waste Management Facilities
JMPD	Johannesburg Metropolitan Police Department
JPC	Johannesburg Property Company
KPI	Key Performance Indicator
LFG	Landfill Gas

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Abbreviation	Description
LoS-1	Level of service one, highest provided by Pikitup, provision of a 240l wheelie bin and once a week curbside waste collection. Once a week recyclables collection conducted at areas where separation at source has been rolled out.
LoS-2	Level of service two, provision of an 85l waste bag and as and when scheduled (<i>once a week or more</i>) curbside waste collection. Once a week recyclables collection conducted at areas where separation at source has been rolled out.
LoS-3	Level of service three, provision of strategically placed 6m ³ communal waste skip and as and when scheduled (<i>bi-weekly to daily</i>) waste collection. Once a week recyclables collection conducted at areas where separation at source has been rolled out.
MFMA	Local Government: Municipal Finance Management Act, 56 of 2003
MMC	Member of Mayoral Committee
MRF	Material Recovery Facility
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue Expenditure Framework
R&CRM	Revenue and Customer Relations Management Department of the City of Johannesburg of Johannesburg
RCR	Refuse Collection Rounds
RRLP	Resource Recovery and Logistics Plan
S@S	Separation at Source
SDBIP	Service Delivery Budget Implementation Plan
SLA	Service Level Agreement
SOC	State Owned Company
WtE	Waste to Energy
WbW	Ward-by-Ward business plan
TVR	National Treasury Views and Recommendations

1. EXECUTIVE SUMMARY

Pikitup Johannesburg (SOC) Ltd (herein referred to as Pikitup), 100% owned by the City of Johannesburg, and established in terms of the Companies Act, on 1 November 2001 is mandated to provide waste management and refuse removal services to the residents of Johannesburg. A Board of Directors, appointed by the City of Johannesburg, is authorised to manage and direct the business and affairs of Pikitup, as set out in the Companies Act and the Memorandum of Incorporation, and subject to accountability and effective oversight by the City of Johannesburg. The City of Johannesburg utilises the Environment, Infrastructure and Services Department (EISD) led by Councillor Mpho Moerane and the Group Governance Department to oversee the governance of the company.

In order for Pikitup to make a meaningful impact, based on its core mandate, to contribute to resource security, environmental sustainability and good governance in the City of Johannesburg, the resources of the company must be directed towards the activities envisaged by the City of Johannesburg's Growth and Development Strategy (GDS 2040). The business plan for Pikitup for 2020/2021 responds to the GDS 2040 ideals of resilience, liveability and sustainability. It reflects and attempts to strengthen the strategic framework based on the 10 Mayoral Priorities and the related Priority Implementation Plans. The business plan gives effect to these strategic objectives and responds to the need "to develop a resilient, liveable, sustainable urban environment, underpinned by infrastructure supportive of a low carbon economy."¹ The strategic focus of Pikitup is to ensure waste prevention and minimisation and a community driven approach to waste management. This requires the implementation of projects and approaches, innovative solutions, partnerships and stakeholder involvement to achieve this. Programmes are designed to create opportunities for developmental service delivery and for communities to take responsibility for the way services are delivered. This contributes towards the alleviation of poverty, inequality and unemployment. There is a particular focus in the business plan to address organisational transformation in order to build an effective and efficient company that delivers world class services.

The focus for the remainder of the term of office is based on service delivery excellence, implementation of the flagship programmes, communication and stakeholder engagement. These focus areas are aligned to the focus expressed by the City of Johannesburg for the 2020/2021 financial year. Pikitup has identified five goals. Aligned to the objectives and the programmes of the City of Johannesburg.

The business plan includes projects for implementation to achieve these goals. These are:

Goal 1: Integrated Waste Management, Waste Prevention and Waste Minimisation

These activities relate to ensuring that the necessary projects are implemented to ensure prevention and minimisation of waste as well as to divert waste from landfills through tackling all waste streams generated within the City of Johannesburg. Re-use, recycling and recovery activities are prioritised and the necessary infrastructure to support these initiatives developed. The projects included are separation at source rollout, with a view to making this mandatory, building buy back centres and 1 Outcome 2 as articulated in Joburg GDS 2040 Pikitup 2020/2021 Business Plan, garden refuse sites, developing a business case for dealing with green waste and composting as well as addressing the operations and viability of the incinerator. There is an

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acknowledgement that some of the interventions require technological solutions, therefore collaboration with the private sector is key. The programme also recognises the role of waste reclaimers in the process and relevant interventions are included to build partnerships with reclaimers and recyclers in the roll out of separation at source.

Goal 2: Realisation of Value throughout the Waste Value Chain

In order to address waste prevention as well as the minimisation of waste, there is a need to create value from waste throughout the value chain. Incentives and disincentives should be used to ensure that minimal waste is generated but also that there is an incentive to recycle and extract valuable waste from the waste stream that may then be used as productive resources in other processes. Pikitup will make a contribution by ensuring that a recycling economy is established in the City of Johannesburg where communities and entrepreneurs will be able to manage and benefit from recycling activities and waste may be used as a resource to produce various products. At the centre of this intervention is the establishment and facilitation of various co-operatives to participate in recycling activities, cleaning of areas as well as addressing illegal dumping in communities.

Goal 3: Effective Delivery of Waste Services

Whilst implementing projects to enhance waste prevention and minimisation, waste removal services will be provided in an efficient manner and service levels improved. A clean City of Johannesburg builds investor confidence and improves the health and quality of life of its citizens. Various initiatives in the 2020/2021 financial year are aimed at improved cleanliness levels in the inner city, outer city, hostels and informal settlements. Specific attention is also paid to measures to address illegal dumping.

The creation of EPWP job opportunities will be included in the service delivery approach. The approach entails appointment of community based contractors and co-operatives to take responsibility for collecting and managing waste, including in informal settlements, street cleaning and illegal dumping.

Goal 4: Partnerships and Involving Stakeholders

Behavioural change in the home and in the workplace is key to the success of waste prevention and minimisation and therefore significant resources will be allocated to developing partnership and involving stakeholders in education and awareness programmes. Education and awareness creation in communities is also critical to address matters of illegal dumping, as well as more effective law enforcement. It is acknowledged that Pikitup cannot achieve these goals by itself and therefore requires partnerships and participation from various stakeholders.

Goal 5: Building an Efficient, Effective and Viable Waste Management Company

Customer centric services and processes are required to drive a highly efficient and effective business organisation operating in the logistics space. In order to achieve this goal various supporting processes, systems and structures should be in place. These relate to:

- Economic and financial analysis
- Evidence based planning
- Operations management

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- Best practice financial and human resource management
- Appropriate policies and internal controls
- Effective management of risks
- Building a skilled workforce aligned to the needs of the company
- Productivity improvement measures
- External and internal communication plans

Pikitup is committed to continually improving its performance and the company is confident that it will, through partnerships and stakeholder involvement, attain the vision “to be the leading integrated waste management company in Africa and be considered amongst the best in the World.”

OFFICIAL SIGN-OFF

It is hereby certified that this 2020/2021 Business Plan was developed by Pikitup with inputs from the Senior Management of the organization. The Business Plan takes into account current operating environment, shareholder strategic intent, forward looking Board resolutions and all the relevant policies, legislation and other mandates for which Pikitup is responsible. It accurately reflects the strategic oriented goals and objectives which Pikitup will endeavor to achieve over the period 2020/2021. This Business Plan was prepared in line with the approved City of Johannesburg Integrated Development Plan 2020/2021 and 10 Priorities.

Date: _____

Ms Bukelwa Njingolo

Managing Director: Pikitup Johannesburg (SOC) Ltd

Date: _____

Ms Nompumelelo Mkhize

Chairperson of the Board of Directors: Pikitup Johannesburg (SOC) Ltd

Date: _____

Councillor Mpho Moerane

Member of the Mayoral Committee: Environment, Infrastructure and Services Department

2. EXECUTIVE SUMMARY

Pikitup Johannesburg (SOC) Ltd (herein referred to as Pikitup), 100% owned by the City of Johannesburg, and established in terms of the Companies Act, on 1 November 2001 is mandated to provide waste management and refuse removal services to the residents of Johannesburg. A Board of Directors, appointed by the City of Johannesburg, is authorised to manage and direct the business and affairs of Pikitup, as set out in the Companies Act and the Memorandum of Incorporation, and subject to accountability and effective oversight by the City of Johannesburg. The City of Johannesburg utilises the Environment, Infrastructure and Services Department (EISD) led by Councillor Nico De Jager and the Group Governance Department to oversee the governance of the company.

In order for Pikitup to make a meaningful impact, based on its core mandate, to contribute to resource security, environmental sustainability and good governance in the City of Johannesburg, the resources of the company must be directed towards the activities envisaged by the City of Johannesburg's Growth and Development Strategy (GDS 2040) and the National Waste Management Strategy in order to reduce, re-use and recycle waste streams, while extracting value from the waste stream along the waste value chain.

The strategic focus of Pikitup is to ensure waste prevention and minimisation and a community driven approach to waste management. This requires the implementation of projects and approaches, innovative solutions, partnerships and stakeholder involvement to achieve this. Programmes are designed to create opportunities for developmental service delivery and for communities to take responsibility for the way services are delivered. This contributes towards the alleviation of poverty, inequality and unemployment. There is a particular focus in the business plan to address organisational transformation in order to build an effective and efficient company that delivers world class services as required from a developmental state.

The main purpose and objective of Pikitup is, *inter alia*, to provide waste management services on behalf of the City and to provide such other municipal services as more fully set out in the Service Delivery Agreement ("SDA") entered into between Pikitup and the City as well as embedded in the Entity's Memorandum of Incorporation ("MOI"), as amended from time to time. Pikitup has identified five goals. Aligned to the objectives and the programmes of the City of Johannesburg. The business plan includes projects for implementation to achieve these goals. These are:

- Goal 1:** Building an Efficient, Effective and viable waste management company
- Goal 2:** Integrated Waste Management, Waste Prevention and Waste Minimisation
- Goal 3:** Effective Delivery of Waste Services
- Goal 4:** Realisation of Value throughout the Waste Value Chain
- Goal 5:** Partnerships and Involving Stakeholders

The Service Delivery Implementation plan details the various indicators and targets that need to be achieved to ensure that the goals are reached. The various sections in the business plan further details the projects and interventions that will be implemented based on the resources that are available in the company. Pikitup is

committed to continually improving its performance and the company is confident that it will, through partnerships and stakeholder involvement, attain its vision.

3. ORGANISATIONAL OVERVIEW

3. STRATEGY FRAMEWORK AND CONTEXT

3.1. Introduction

Pikitup is an entity of the City of Johannesburg and thus has to ensure that its initiatives and plans are aligned with the priorities and targets of the City of Johannesburg. In addition there are various national and provincial strategies and policies that inform the proposed targets. This is the last business plan review of the current Local Government political term. It is this review that begins the process of drafting the end of term report. Most importantly, it is this review that reflects on the commitments made thus far - and sets the tone for the "*final push*" needed to achieve the empowering – and sobering – goals set out by the current Integrated Development Plan (IDP). This will see Pikitup consolidate actions to ensure basic services are delivered to the highest feasible standards, and acceleration of actions which drive and enable the social and economic transformation goals set by this IDP.

3.2. Strategic Context

The Polokwane Declaration signed in September 2001 committed South Africa to achieving 50% reduction in the volume of waste generated and 25% reduction in volumes of land-filled waste by 2012 and a zero waste plan by 2022. The Polokwane Declaration was a call to action and since its adoption in 2001, the National Waste Management Act and the National Waste Management Strategy were adopted in 2011. The National Waste Management Strategy provides the strategy and action plans to deliver on the mandate to reduce waste to landfills. The National Waste Management Strategy shifts the focus of waste management away from disposal of waste to avoidance, reduction, re-use and recycling before handling and final disposal. The strategy applies the principles of accountability, cradle to grave responsibility, equity, integration, waste avoidance and minimisation in its action plans which aim to move away from fragmented and uncoordinated waste management to integrated waste management. Pikitup is an entity of the City of Johannesburg and thus has to ensure that its initiatives and plans are aligned with the priorities and targets of the City of Johannesburg. In addition there are various national and provincial strategies and policies that inform the proposed targets.

Pikitup operates in the entire 1 625 km² area within CoJ, serving approximately 5.05 million people, with a limited part of the area being serviced by private operators. The total waste handled and managed by the entity in the city for the year under review (2017/18) was approximately 1.4 million tons, 94 355 tons was diverted away from the landfill sites and the rest disposed of at landfill sites. In addition, the entity provides services to ensure the overall cleanliness of the city's 9 000 kilometres of streets, municipal open spaces and commercial services to approximately 9 124 businesses. The entity continues to deliver on its mandate to provide sustainable integrated waste management services while shifting towards addressing the imperatives of the Growth and Development Strategy (GDS 2040), the Integrated Waste Management Policy and the National Waste Management Strategy in order to reduce, re-use and recycle waste streams, while extracting value from the waste stream along the waste value chain.

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What guides our business?

Vision

Is for Johannesburg to be the cleanest city in Africa.

Mission

To provide integrated, sustainable, and innovative waste management services that ensure waste reduction; re-use; recycling and recovery, and consider waste disposal (landfilling) as the last resort.

Values

Values	Description
Exceptional Service Ethics	Putting the customer first thereby achieving the highest customer satisfaction index
Environmental Consciousness	Being environmental activists and a sought-after group of people
Respect for Human Dignity	Trust, integrity and respect for each other's culture, religion and beliefs
Good Corporate Citizenship	Loyalty towards Pikitup, colleagues, community and the country at large
Unity of Purpose	Foster teamwork, perseverance, embracing change, determination, exceptional commitment and relationship building.
Results driven	Understanding Pikitup's strategy and its objectives and relating it to areas where efforts should be focused
Continuous Improvement	Maintaining a competitive edge over our competitors by continuously improving our business processes in waste management solutions and ourselves

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Legislative Environment

There are various pieces of legislation that Pikitup has to comply with. Some of the legislation is general and relates to the general management and operation of a public entity, labour relations and others. There are, however, legislation that is specific to waste management that has to be complied with as well. Compliance to legislation is monitored and included in the operations and risk management processes of the company.

Table 3-1: Regulatory Universe

Legislation	Jurisdiction
Atmospheric Pollution Prevention Act, 45 of 1965	National
Basic Conditions of Employment Act, No. 75 of 1997	National
Broad-based Black Economic Empowerment Act, No. 53 of 2003	National
The Constitution of the Republic of South Africa Act No. 108 of 1996	National
Civil Proceedings Evidence Act, No. 25 of 1965	National
City of Johannesburg Waste Management By-Laws	Provincial
Companies Act 71 Of 2008	National
Competition Act, No. 89 of 1998	National
Consumer Protection Act, No. 68 of 2008	National
Copyright Act, No. 98 of 1987	National
Criminal Procedure Act, No. 51 of 1977	National
Department of Water Affairs and Forestry. 1998: Minimum requirements for waste disposal by landfill, (2nd Ed), Republic of South Africa	National
Designs Act, No. 195 of 1993	National
Electronic Communications and Transactions Act, No. 25 of 2000	National
Employment Equity Act, No. 55 of 1998	National
Income tax Act, No. 58 of 1962	National
Information Act, No. 70 of 2002	National
King III Code on Corporate Governance	National
Labour Relations Act, No. 66 of 1995	National
Legal Deposits Act, No. 54 of 1997	National
Medical Schemes Act, No. 131 of 1998	National
Municipal Finance Management Act, No. 56 of 2003	National
Municipal Structures Act, No. 117 of 1998	National
Municipal Systems Act, No. 32 of 2000	National
National Archiving Act, No. 43 of 1996	National

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Legislation	Jurisdiction
National Environmental Management: Air Quality Act No 39 of 2004	National
National Environmental Management Biodiversity Act, No. 10 of 2004	National
National Environmental Management Waste Act No 59 of 2008	National
National Health Act, No. 61 of 2003	National
National Road Traffic Act, No. 93 of 1996	National
National Water Act, No 36 of 1998	National
Occupational Health and Safety Act No. 85 of 1993	National
Pension Funds Act, No., 24 of 1956	National
Preferential Procurement Policy Framework Act, No. 5 of 2000	National
Prescription Act, No. 68 of 1969	National
Promotion of Access to Information Act, No. 2 of 2000	National
Promotion of Administrative Justice Act, No. 3 of 2000	National
Protected Disclosures Act, No. 26 of 2000	National
Protocol on Governance in Public Sector	National
Public Audit Act, No. 25 of 2004	National
Road Traffic Act, No. 29 of 1989	National
Road Accident Fund Act, No. 56 of 1996	National
Skills Development Act, No. 97 of 1998	National
Skills Development Levy Act, No. 9 of 1999	National
Stamp Duties Act, No. 77 of 1968	National
Tax on Retirement Funds Act, No. 38 of 1996	National
The Compensation for occupational Injuries and Diseases Act, No. 130 of 1993	National
The Environment Conservation Act No. 73 of 1989	National
The National Environmental Management Act No. 107 of 1998	National
Unemployment Insurance Act, No. 63 of 2001	National
Unemployment Insurance Contributions Act, No. 4 of 2002	National
Value Added Tax Act, No. 89 of 1991	National

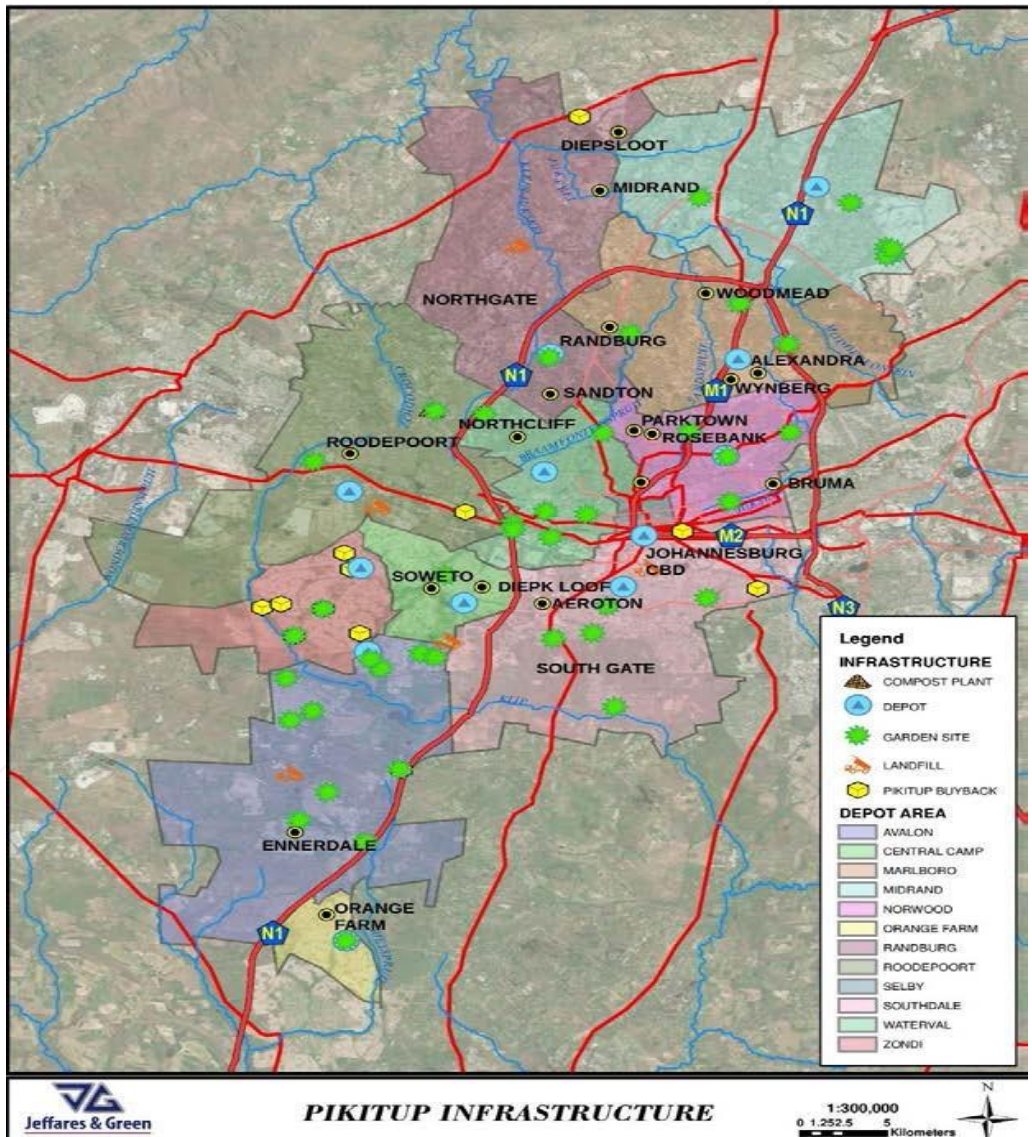
Pikitup's Mandate

The main purpose and objective of Pikitup is to provide sustainable integrated waste management services on behalf of the City and to provide such other municipal services as more fully set out in the Service Delivery Agreement (“SDA”) entered into between Pikitup and the City as well as embedded in the Entity’s Memorandum of Incorporation (“MOI”), as amended from time to time.

Pikitup provides two categories of services, viz Council services and commercial services. The Council services, which the City of Johannesburg has mandated Pikitup Johannesburg SOC Ltd to provide exclusively, comprise of the collection and disposal of domestic waste, street cleaning, lane flushing, area cleaning, the management of litter bins, the collection of illegally dumped waste, the collection and disposal of animal carcasses found in a public place and the operation of garden sites. In addition to the waste management services detailed above, which the entity is mandated to provide, it also provides commercial services which includes bulk collection.

The entity operates 12 waste management depots strategically located across CoJ’s seven regions. It manages 42 drop off sites, four operational landfill sites, and two closed landfill sites.

In addition, in the northern regions some waste is disposed of at three privately owned landfill sites (Mooiplaats, Chloorkop and FG).



All landfill sites comply with permit requirements and are licensed and regulated by the National Department of Environmental Affairs (DEA) and with respect to Pikitup the regulation has been delegated to the Gauteng Department of Agriculture and Rural Development (GDARD).

4. STRATEGIC ANALYSIS

Gauteng is the fastest growing province in the country with Johannesburg contributing an estimate of 5.05 million people to the total population of the province, with an in-migration and rapid urbanisation contribution of 3% per annum. This rapid population growth and associated economic development, which ultimately results in increased waste generation, is the key pressure resulting in the current waste management challenges. Increased population further places pressure on the level of services Pikitup can deliver.

4.1 The PESTEL analysis

A high level situational analysis of the political, economic, social, technological, legal and environmental factors (PESTLE) that influence Pikitup as well as the potential impact. The PESTEL analysis below tracks the environment the entity is operating within. It gives a bird's eye view of the whole environment from different angles that we would keep track of while implementing this plan.

Table 6.1 PESTEL Analysis

Political	Economical	Social
<ul style="list-style-type: none"> ▪ Change in policy in relation to programmes: i.e. S@S support the paradigm shift being implemented to realize the new business model focused on job creation and entrepreneur development, realisation of value throughout the waste value chain. ▪ Labour instability. ▪ Population/Waste growth: Unsustainable and growing need for basic services – less funding available for services due to competing needs. ▪ Funding model review: Current tariffs are not cost reflective and do not support waste minimisation. 	<ul style="list-style-type: none"> ▪ Ability of residents to pay for services (cost reflective tariff). ▪ Commercial services not competitive and agile, so potential customers use other service providers, inability of Pikitup to optimally provide the service due to fleet inadequacy. ▪ Distance to landfills and disposal facilities, and disposal costs result in illegal dumping. ▪ Increase EPWP and Co-Operatives support to mitigate high unemployment levels, and ensure waste management contributes in creating job opportunities. ▪ Inadequate network of buyback centres results in fluctuations in the prices of recycled materials, thus impacting sustainability of cooperatives and recycling economy with in CoJ. ▪ Few local off-take agreements to stimulate demand for recycled materials. ▪ Maintain level 1 cleanliness to attract economic activity. 	<ul style="list-style-type: none"> ▪ Investment and budgets set aside to influence behavioral change are insufficient, hence the slow response by citizens. ▪ Rehabilitation of company reputation continues to find traction, resulting in improved confidence in our ability to make paradigm shift and deliver on services. ▪ Growth of the City as well as densification not aligned to the available services and infrastructure for waste management. ▪ Inefficient service delivery will result in health problems.
Technological	Environmental	Legal

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<ul style="list-style-type: none"> ▪ Delayed adoption of Alternative Waste Technologies by Pikitup. ▪ Inadequate internal capacity for practical research and concept development. ▪ Inability to develop a fit-for-purpose PPP framework to ensure cost effective implementation of relevant technological solutions. ▪ Technological solutions often perceived as reducing job opportunities. ▪ Implementation of solid waste management systems: IT infrastructure to address challenges i.e. RFID tags, weighing systems, fleet management etc. 	<ul style="list-style-type: none"> ▪ Delay in leveraging By Laws do not encourage and promote reduce; reuse and recycling (3Rs). ▪ No incentive and dis-incentive in place to encourage the 3Rs activities. ▪ Inadequate integrated by-law enforcement strategy. ▪ Risk and cost of compliance with regulations and legislation. ▪ Develop implementable and measurable SOPs that also integrate the 3Rs. ▪ Long lead times to obtain the necessary licenses and other approvals for waste management facilities and activities. 	<ul style="list-style-type: none"> ▪ Risk and cost of compliance with regulations and legislation. ▪ Waste management activities contribute to CO₂ emissions and other environmental factors. ▪ Adoption of clean technologies to reduce carbon footprint.
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4.2 Strengths, Weaknesses, Opportunities and Threats Analysis (SWOT Analysis)

The strategy and business plan build on the strengths whilst addressing the weaknesses identified in a SWOT analysis. It likewise responds to opportunities and identifies threats to be monitored.

Table 6.1: SWOT Analysis

		Strengths	Weaknesses
Internal		<ul style="list-style-type: none"> ▪ Sustained implementation of Employee Wellness Programmes. ▪ Sound policies and strategies are now in place. ▪ Financial sustainability. ▪ Captive market – core mandate. ▪ Advanced implementation of RRR and Community Works Programmes. ▪ Experience and track record in the waste sector. ▪ 63% ISO certification. 	<ul style="list-style-type: none"> ▪ Partnerships with business, labour and civil society not fully developed. ▪ Weak solid waste business systems. ▪ Slow in bridging the skills gap. ▪ Ageing infrastructure, depletion of landfill airspace, condition of plant, equipment and fleet. ▪ Ageing workforce at lower levels. ▪ Working in silos. ▪ Adherence to policies, procedures and regulations. ▪ Contract and project management capacity. ▪ Fraud and corruption. ▪ Revenue recognition and management.
		Opportunities	Threats

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External	<ul style="list-style-type: none">▪ Studies on biogas project and waste to energy at procurement stage.▪ Community based projects to assist with cleaning and monitoring.▪ PPP - Various partnerships with private sector to divert waste stream.▪ Repositioning of Commercial Business▪ Leveraging By-law review and fine structure to be amended.▪ Ward based operating model.▪ Citizens' involvement and behavioral change.	<ul style="list-style-type: none">▪ Landfill airspace depletion.▪ Growth in population and waste generation.▪ Funding for implementation of various projects.▪ No new landfill site planned for future needs.▪ Labour disputes and service delivery protests.▪ Economic slowdown and inability for customers to pay.▪ Financial sustainability
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5. STRATEGIC RESPONSE

The National Waste Management Strategy, 2011 shifts the focus of waste management away from disposal of waste to avoidance, reduction, re-use and recycling before handling and final disposal. The strategy applies the principles of integration, waste avoidance and minimisation in its action plans which aim to move away from fragmented and uncoordinated waste management to integrated waste management.

The GDS 2040 waste to landfill target for this planning period is approximately 2.4 million tonnes (circa) by 2021 including waste handled by private operators (600 000 tonnes per annum) but excluding growth. In order for Pikitup to make a meaningful impact, based on its core mandate, to contribute to resource security, environmental sustainability and good governance in the City of Johannesburg, the resources of the company must be directed towards the activities envisaged by the City of Johannesburg's Growth and Development Strategy (GDS 2040). In the GDG 2040 of the COJ, the vision is to be "a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society" (Joburg 2040).

The GDS 2040 outcomes are outlined as follows:

- A growing, diverse and competitive economy that creates jobs.
- Enhanced, quality services and sustainable environmental practices.
- An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development.
- Caring, safe and secure communities.
- An honest, transparent and responsive local government that prides itself on service excellence.

Pikitup has committed to the 10 strategic priorities of the City of Johannesburg as follows:

Priority 1 Good governance

Priority 2 Financial sustainability

Priority 3 Integrated human settlements

Priority 4 Sustainable service delivery

Priority 5 Job opportunity and creation

Priority 6 Safer city

Priority 7 Active and engage citizenry

Priority 8 Economic development

Priority 9 Green-Blue economy

Priority 10 Smart City

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To give effect to these, Pikitup has identified key strategic interventions to implement the 10 City priorities, read with the GDS 2040 outcomes:

Priority 1 Good Governance

Pikitup has implemented an Anti-Corruption Strategy that supports the City's priority of promoting a culture of professional ethics and good governance.

Priority 2 Financial sustainability

Pikitup has participated in the implementation of the revenue enhancement through continued implementation of efforts to reduce the levels of incorrect billing, investigating systems to improve billing data at Landfill sites to improve the financial sustainability of Pikitup.

Priority 4 Sustainable service delivery

Pikitup had in the prior financial year commenced with implementation of infrastructure renewal and refurbishment and preventative maintenance. The capital expenditure budget of Pikitup continues to be directed towards this.

Priority 5 Job opportunity and creation

Pikitup intends to increase the number of Expanded Public Works Programme (EPWP) opportunities created as well as the number of SMMEs and Co-Operatives supported.

Priority 7 Active and engage citizenry

Pikitup has intensified waste education and awareness at schools and communities to reduce waste management practices by our communities which in turn seeks to eradicate illegal dumping and littering.

Priority 8 Economic development

Pikitup intends to revise its waste diversion strategies to ensure that revenue can be derived from waste, not only for our benefit, but for SMMEs and Co-Operatives.

Priority 9 Green-Blue economy

Pikitup continuously monitors gas emissions from its landfill sites as part of its landfill compliance management plan, to ensure that the health of communities adjacent to these sites is not negatively affected. There are other long term projects that have been embarked upon to implement alternative waste treatment technologies that create environmental sustainability into the future.

Pikitup has more comprehensively aligned its strategic goals and objectives to the shareholder's priorities as follows:

Pikitup strategic goal	Objective	Explanation	IDP Priority	10 Strategic Goals	KPI	Baseline	2020/2021 Target
Goal 1: Building an Efficient, Effective and viable waste management company	Objective 1.1: To ensure sound internal controls and good governance.	In order to be a leading company the financial position of the company needs to be sustained. We are working with the RSSC unit to assist with the revenue collection measures put in place. We are prioritizing the SCM process in this current financial year (2018/19) to start with the processes for 2019/20 Capex budget. This will ensure that Capex budget is committed timeously. This will be done within the MFMA requirements.	Priority 7 Enhance our financial sustainability.	Priority 2 Financial sustainability	Percentage (%) Capital Budget spent	86%	95%
					Percentage (%) SMME procurement spend.	92.1%	30%
					Percentage (%) of valid departmental invoices paid within 30 days of invoice date.	44.94%	95%
					Reduction in disabling injury frequency rate (DFIR)	3.6	2.5
					Audit opinion obtained from Auditor General South Africa (AGSA)-	Unqualified findings with	Clean audit opinion obtained from AGSA
					Percentage (%) resolution of Internal Audit findings	83%	Resolve 80% of 2018/19 IA findings
					Percentage (%) of queries resolved within 7 days in accordance to the service level standards.	80%	95%
Goal 2: Integrated Waste Management, Waste Prevention and Waste Minimization.	Objective 2.1 To ensure that waste to landfills are minimized.	Various programmes are to be implemented to minimize waste to landfill. The approach entails appointment of community based co-operatives and entrepreneurs to take responsibility for collecting and managing recycled waste, including in informal settlements. The programme also recognises the role of waste	Priority 9 Preserve our resources for future generation.	Priority 5 Job opportunity and creation	Percentage (%) landfill compliance to GDARD regulations and permit conditions as issued by DEA and DWAF, related to: Robinson Deep Ennerdale Goudkoppies Marie Louise	94%	95%
					Tonnes of green waste diverted	50 958	40 000

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Pikitup strategic goal	Objective	Explanation	IDP Priority	10 Strategic Goals	KPI	Baseline	2020/2021 Target
		reclaimers in the process and relevant interventions are included to build partnerships with reclaimers and recyclers in the roll out of separation at source.			Tonnes of builder's rubble diverted	8 224	40 000
					Tonnes of dry waste diverted through Pikitup interventions (paper, plastic, glass, cans)	25 991	38 000
					Tonnes of waste disposed at the landfill sites	961 831	1 389 121
	Objective 2.2 To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner.	The model of operations require different infrastructure such as integrated waste management facilities, buy back centres, composting facilities and others. The necessary infrastructure needs to be developed. The entity will continue with the upgrading of 7 drop-off centres into integrated waste management facilities that include sorting facilities and buy-back centres where feasible.		Priority 2 Financial sustainability	Number of drop off centres upgraded to Integrated Waste Management Facilities	4	7
Goal 3: Effective and Efficient Waste Services	Objective 3.1 To ensure delivery of effective and efficient waste services.	These services include domestic waste removal, street cleaning, informal settlements as well as some public owned facilities. The objective is to ensure that these services are rendered in efficient manner and that the highest cleanliness levels are achieved. This will be achieved through the implementation of Ward Based Operational Model, clean-up campaigns such as Kleena Joburg, rolling our street bins, eradication of illegal dumping sites and ,rolling 240l wheelie bin to formalized areas, improve refuse containment and collection in informal settlements, hostels including backyard dwellers by providing (85l)waste bags and 6m3 skips.	Priority 3 Create a culture of enhanced service delivery with pride.	Priority 4 Sustainable service delivery	Number of formal households receiving weekly waste removal services	1 182 997	1 184 961
					Percentage (%) of all City recognized informal settlements provided with integrated waste management services	164 informal settlements (69.34%)	100%
					Improved City cleanliness levels in targeted areas City-wide	Level 1 cleanliness	2
					Number of illegal dumping spots eradicated	34	175
Goal 4: Realization of Value throughout the Waste Value Chain	Objective 4.1 To use waste as resource for poverty alleviation and to	The City of Johannesburg has high levels of unemployment, poverty and inequality. Waste minimization provides opportunities to use waste	Priority 2 Ensure pro-poor development that addresses	Priority 5 Job opportunity and creation	Number of work opportunities created through Expanded Public Works Programmes (EPWP).	5 002	800

4.1244

Pikitup strategic goal	Objective	Explanation	IDP Priority	10 Strategic Goals	KPI	Baseline	2020/2021 Target
	create job opportunities.	<p>as a resource and these should assist communities to address poverty alleviation and unemployment.</p> <p>Reclaimers and cooperatives training programme in the waste value chain with partners will be facilitated.</p> <p>Various initiatives to use communities in cleaning of areas have been identified through the Expanded Public Works Programme. Targets are set for spending on BEE companies, SMMEs and women owned companies.</p>					

Table 5.1: IDP Priorities

CITY OF JOHANNESBURG IDP PRIORITIES	OVERVIEW	ALIGNMENT OF PIKITUP INTERVENTIONS AND SERVICES
Promote economic development and attract investment that creates jobs towards achieving 5% economic growth	Promote investment in the area to ensure economic growth, innovation and technological advances. Make the city attractive as a destination and facilitate local industries to become globally competitive.	<ol style="list-style-type: none"> 1. New technologies provide investment opportunities, such as Waste to Energy, Landfill Gas Extraction and Biodigestors. 2. A clean environment also attracts tourists and investors. Increased allocation of resources towards the cleanliness of the city. 3. Specific focus on the Inner City and economic nodes to create attractive environment for investment has been identified.
Ensure pro-poor development that addresses inequality and provides meaningful redress	The key objective is to address poverty and, in particular income inequality through identifying key success areas and factors for entrepreneurial support and SMME development, identifying both governance and facilitating interventions which will optimise the development of the entrepreneurial.	<ol style="list-style-type: none"> 1. Various initiatives to use community in cleaning of areas will be implemented through EPWP. 2. Improve refuse containment and collection in informal settlements, hostels including backyard dwellers by providing waste bags (85L) and strategically placing 6m3 skips (LoS:2 and 3 respectively). This supports the City's pro-poor priority.
Create a culture of enhanced service delivery with pride	Basic services delivered to residents based on the standards agreed. To provide services in an efficient and effective manner with a professional public service.	<ol style="list-style-type: none"> 1. Ward-by-ward approach to be implemented to ensure waste management appropriate for different areas and demographics. 2. Improve refuse and collection in informal settlements by providing 85l waste bags and strategically placing 6m3 skips. 3. Roll out of 240L bins in formalised areas. 4. Eradication of illegal dumping sites within the City. 5. Education and awareness campaigns to ensure all citizens are aware of the impact of illegal dumping and littering on the environment; and responsible disposal of all waste.
Create a sense of security through improved public safety	The rule of law must prevail in Johannesburg. We envision a caring City as one which is close to its residents and ensures that when community members engage with it, they are heard. Residents feel safe when they trust government is responsive to their concerns	<ol style="list-style-type: none"> 1. By-law enforcement to reduce illegal dumping and littering.

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CITY OF JOHANNESBURG IDP PRIORITIES	OVERVIEW	ALIGNMENT OF PIKITUP INTERVENTIONS AND SERVICES
	and working on innovative interventions which ensure every aspect of their community's welfare. Safety means living in environments where crime is not the norm, which are clean and enhance the health of those who live in them.	
Create an honest and transparent City that fights corruption	For Johannesburg to achieve its developmental goals over the next five years, communities must be able to develop a high level of trust with the City. Residents need to know what their money is being spent on and have a say in the planning for their futures. This requires honest communication from the side of government about what it can and cannot achieve within its current limitations, as well as a willingness to listen to the concerns of residents and respond appropriately.	<ol style="list-style-type: none"> 1. Strengthening internal controls 2. Implementation of recommendations from various investigations.
Enhance our financial sustainability	The intention is the prioritisation of the City of Johannesburg's financial position to ensure that finances are at all times sustained, have the resilience to recover easily and immediately from unexpected, unfavourable occurrences that may have a severe impact on operations.	<ol style="list-style-type: none"> 1. Improve the billing accuracy through the transfer of twelve billing clerks from group finance.
Encourage innovation and efficiency through smart city programme	Local initiatives to address challenges using various technologies. These are specifically aimed at improving the environment and addressing poverty.	<ol style="list-style-type: none"> 1. The first WtE plant (private sector collaboration). The process to finalize the TVR1 requirements by National Treasury to be concluded in Q4 of 2018/19.
Preserve our resources for future generations	<p>Economic growth is strongly interrelated with the demand for water, electricity, liquid fuel and mining. Managed limited natural resources as well as the consequences of using these natural resources and de-linking economic growth from natural resource extraction is therefore important.</p> <p>Various declarations such as C40 accord was signed to ensure that cities use more sustainable practices for development and reduce the impact of urbanisation on climate change.</p>	<ol style="list-style-type: none"> 1. Roll out and expand the separation at source city wide. 2. As part of the green waste diversion strategy, secure the long-term leasing of the Panorama composting facility to a private operator (PPP). In the short-term accelerate and formalise the securing of green waste off-take partner/s. 3. Re-visit the builders' rubble diversion strategy to improve diversion and secure alternative uses of processed building rubble (establish and formalise partnerships with off-takers). 4. Continue the upgrading of drop-off/ garden sites into integrated waste management facilities that include sorting facilities and buy-back centres where feasible. 5. Consider alternative use of closed landfill sites.

The 2020/2021 business plan is also informed by a number of internal reviews, annual performance reviews and quarterly reviews to ensure that Pikitup functions effectively and efficiently, in the provision of waste management services.

The plan is also informed by relevant legislative requirements and the City of Johannesburg Service Standard Agreement (SDA) which sets out the framework within which Pikitup is assigned the tasks of rendering services on behalf of the City. The PESTLE and SWOT analyses as well as a stakeholder analysis with a view to partnerships and stakeholder involvement that have been undertaken and key factors of the analysis are considered in the business plan. It is acknowledged that further attention is required to develop a stakeholder matrix and provide clear roles and responsibilities to achieve strategic intent.

6. STAKEHOLDER ENGAGEMENT

Stakeholder management is critical to the success of Pikitup in delivering quality municipal services to the residents of Johannesburg. The services that Pikitup offer require frequent interface with stakeholders, whether home owners, sector organisations, education institutions, business and industry at large.

The entity's focus for 2020/2021 Business Plan is to ensure waste minimisation, whilst delivering efficient and effective services to the residents of Johannesburg. The success to achieve this outcome will require the participation of all residents and businesses and therefore there is a particular focus on stakeholder engagement and partnership going forward, making sure that there is a collective effort from civil society, business and labour.

Pikitup's stakeholder engagement function is guided by Chapter 8 of the King IV Report on Corporate Governance. Its main objective is to foster guidelines and policies that are aimed at protecting the reputation of the organisation; whilst harnessing key relationships aimed at supporting the business units achieve their objectives and overall organisational strategy.

Pikitup will uphold an "inclusive stakeholder approach" in the engagement of its stakeholders where the purpose and priorities of the institution are defined, and communicated to all stakeholders. The mapping technique will be used to group stakeholders according to their material issues.

There is a need to strengthen the overall approach to stakeholder engagement with a structure in place to support this approach. This will include the identification of clear leads responsible for maintaining relationships with stakeholders, and this must be reflected in the personal and team objectives of role-players. The purpose of the engagement will specify what outputs or outcomes are to be achieved by undertaking the stakeholder engagement.

6.1. Defining the Purpose of Engagement

Stakeholder engagements will be pursued to achieve the following:

- Inform;
- Consult;
- Involve;
- Collaborate;
- Accountability;
- Empower;
- Strengthen relationships; and
- Responsiveness to stakeholder issues

6.2. Stakeholder Matrix

A power/ interest matrix model has been used to evaluate the expectations and impact of particular stakeholders.

Table 6.2.1: Stakeholder Matrix

STAKEHOLDER	CATEGORY	PROGRAMME FOR PARTNERING/ INVOLVEMENT	STRATEGIC GOAL	OBJECTIVES	DELIVERABLES
City Parks City Power JDA, JRA, JPC JMPD Joburg Water Social Development Planning Department Regional Directors Councillors & Cllr Forums RSVD Ward committees CRUM	COJ & City Entities	<ul style="list-style-type: none"> Policy & Strategy 2040 Growth and Development Strategy (GDS 2040) Integrated Development Plan (IDP) COJ 10 Strategic Priorities Kleena Joburg Education & Awareness Service Delivery Domestic worker training By-laws enforcement Illegal dumping 	<p>Goal 2:</p> <ul style="list-style-type: none"> Integrated Waste Management, Waste Prevention and Waste Minimisation. <p>Goal 4:</p> <ul style="list-style-type: none"> Effective Delivery of Waste Services 	<ul style="list-style-type: none"> To ensure that waste to landfills are minimised. To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner. To ensure effective and efficient waste services 	<ul style="list-style-type: none"> Eradication of Illegal dumping Promoting and Ensuring the Effective Delivery of Waste Services; Community upliftment
ABSA Capitec FNB Nedbank Old Mutual Sanlam Standard Bank Santam Liberty First for Women Outsurance, etc.	Financial Institutions	<ul style="list-style-type: none"> A Kleena Joburg Corporate Social Investment (CSI) Clean-up campaigns Illegal dumping Schools Recycling programmes Development of entrepreneurs in the waste management business 	<p>Goal 2:</p> <ul style="list-style-type: none"> Integrated Waste Management, Waste Prevention and Waste Minimisation. <p>Goal 4:</p> <ul style="list-style-type: none"> Effective Delivery of Waste Services <p>Goal 5:</p> <ul style="list-style-type: none"> Partnering and involving stakeholders 	<ul style="list-style-type: none"> To ensure that waste to landfills are minimised. To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner. To ensure effective and efficient waste services Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> Eradication of Illegal dumping Waste minimisation Good citizenship
Checkers Shoprite Pick 'n Pay Spar Woolworths Clothing Industry Makro Jumbo	Retailers	<ul style="list-style-type: none"> Education & Awareness Kleena Joburg Schools recycling programmes Clean-up campaigns CSI Plastic waste 	<p>Goal 2:</p> <ul style="list-style-type: none"> Integrated Waste Management, Waste Prevention and Waste Minimisation. <p>Goal 5:</p> <ul style="list-style-type: none"> Partnering and involving stakeholders 	<ul style="list-style-type: none"> To ensure that waste to landfills are minimised. To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner. Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> Waste minimisation Eradication of illegal dumping
Cashbuild Build it Builders Warehouse PPC Afrisam Murray & Roberts	Built & Construction Industry	<ul style="list-style-type: none"> Solutions on Builders rubble Corporate Social Investment Education & Awareness campaigns Skills Development 	<p>Goal 2:</p> <ul style="list-style-type: none"> Integrated Waste Management, Waste Prevention and Waste Minimisation. 	<ul style="list-style-type: none"> To ensure that waste to landfills is minimized To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner. 	<ul style="list-style-type: none"> Eradication of illegal dumping
Waste Pickers NGOs NPOs Churches Schools Community leaders	Civil Society	<ul style="list-style-type: none"> Education & Awareness campaigns Clean-up campaigns 	<p>Goal 5:</p> <ul style="list-style-type: none"> Partnering and involving stakeholders 	<ul style="list-style-type: none"> Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> Mandatory Separation @ Source Eradication of Illegal dumping

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STAKEHOLDER	CATEGORY	PROGRAMME FOR PARTNERING/ INVOLVEMENT	STRATEGIC GOAL	OBJECTIVES	DELIVERABLES
Co-operatives Community		<ul style="list-style-type: none"> Community mobilisation Schools recycling programmes Integration of Waste Pickers 			<ul style="list-style-type: none"> Improve customer satisfaction and change behaviour
Hawkers Associations Taxi Associations Restaurants Associations (RASA) Rate Payers Associations Builders' Associations Environmental Forums Franchise Association of SA	Associations	<ul style="list-style-type: none"> Illegal dumping Clean-up campaigns Education & Awareness By-laws 	<p>Goal 3:</p> <ul style="list-style-type: none"> Effective Delivery of Waste Services <p>Goal 5:</p> <ul style="list-style-type: none"> Partnering and involving stakeholders 	<ul style="list-style-type: none"> To ensure effective and efficient waste services Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> Eradication of Illegal dumping Mandatory Separation @ Source
Polyco Waste Group TFM PETCO Plastics SA + NR (National Recycling Forum) MPACT Recycling Enviroconserv Waste Management Interwaste, Nampak Remade Tedcor	Industry Players (Recycling)	<ul style="list-style-type: none"> Recycling optimization Waste Pickers Schools recycling programmes 	<p>Goal 2:</p> <p>Integrated Waste Management, Waste Prevention and Waste Minimisation.</p> <p>Goal 5:</p> <ul style="list-style-type: none"> Partnering and involving stakeholders 	<ul style="list-style-type: none"> To ensure that waste to landfills is minimised. To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner. Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> Waste minimisation Mandatory Separation @ Source
CCBSA (Coca-Cola) Adcock Ingrams British American Tobacco Road Accident Fund Total SA Avis Shell Best Petroleum Engen Petroleum Cobra Food & Trees for Africa Green Development Foundation WAO Host Qhubeka	Business	<ul style="list-style-type: none"> Recycling Schools programmes Corporate Social Investment Clean-up campaigns Education & Awareness programmes 	<p>Goal 2:</p> <p>Integrated Waste Management, Waste Prevention and Waste Minimisation.</p> <p>Goal 5:</p> <p>Partnering and involving stakeholders</p>	<ul style="list-style-type: none"> To ensure that waste to landfills are minimised Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> Waste minimisation Eradication of Illegal dumping
Unisa University of Johannesburg Wits University University of Pretoria Colleges & FET	Institutes of Higher Learning	<ul style="list-style-type: none"> Research & Development Innovation and Guidance 	<p>Goal 4:</p> <p>Realisation of Value throughout the Waste Value Chain</p>	<ul style="list-style-type: none"> To use waste as resource for poverty alleviation and to create job opportunities 	<ul style="list-style-type: none"> Eradication of illegal dumping Waste minimisation Grow the contribution of the waste sector in the Green Economy
McDonalds Chicken Licken Fishaways, Steers Nandos Spurs Panarottis KFC etc.	Food outlets and Restaurants	<ul style="list-style-type: none"> Clean-up campaigns Kleena Joburg Recycling optimisation Corporate Social Investment Food waste 	<p>Goal 4:</p> <p>Realisation of Value throughout the Waste Value Chain</p>	<ul style="list-style-type: none"> To use waste as resource for poverty alleviation and to create job opportunities To ensure that waste to landfills are minimised. 	<ul style="list-style-type: none"> Separation @ Source Eradication of illegal dumping

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STAKEHOLDER	CATEGORY	PROGRAMME FOR PARTNERING/ INVOLVEMENT	STRATEGIC GOAL	OBJECTIVES	DELIVERABLES
<p>Agri Protein, Bidvest, Topturf Bio Mimicry SA, Bio2Watt Biogas SA, Cultera, DBSA DEA, Dept of Science & Technology, Earth Cyclor On-Site Food Waste Composter, Earth Probiotic recycling solutions, Earth worm Farm, Eco Eye Waste Management, Envitech e-Wasa Association of South Africa, Garden Drums Gauteng: Green Office Gauteng Industrial Symbiosis Programme GDARD, GDED, Green Cape Foundation SA, Green Earth Concepts, Green Efficiency Fund, Green Shoots: South Africa, Green Technology innovations, Green touch Growth point Properties Health care Waste Forum of SA, IDC, IGRC, iLive Sustainable Development IJRC, Inova Group Inst for Econ Res on innov (TUT), IWMSA JEFFARES & GREEN (PTY) LTD Joburg Green Map Kateka Holdings/SA Waste - PTY Khabokedi Landfill Consult SALI (South African Landscapers Institute Life Green Group Likhutsa Project Mfangano Solutions National Treasury - PPP UNIT NEWGX ORASA (Organics, Recycling Association of South Africa OXFAM SA, Plantwise Reliance Compost: South Africa, SA GAS</p>	<p>Industry Players (Organic/Garden Waste)</p>	<ul style="list-style-type: none"> • Development of a garden/organic waste strategy • Organic Waste solutions • Research & Development 	<p>Goal 2:</p> <ul style="list-style-type: none"> • Integrated Waste Management, Waste Prevention and Waste Minimisation. <p>Goal 4:</p> <ul style="list-style-type: none"> • Realisation of Value throughout the Waste Value Chain <p>Goal 5:</p> <ul style="list-style-type: none"> • Partnerships & Stakeholder Involvement 	<ul style="list-style-type: none"> • To ensure that waste to landfills are minimised. • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner. • To use waste as resource for poverty alleviation and to create job opportunities • Increasing partnerships to deliver and ensure active stakeholder engagement 	<ul style="list-style-type: none"> • Grow the contribution of the waste sector in the Green Economy

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STAKEHOLDER	CATEGORY	PROGRAMME FOR PARTNERING/ INVOLVEMENT	STRATEGIC GOAL	OBJECTIVES	DELIVERABLES
South African Biogas Industry Association (SABIA) The South African Landscapers Institute (SALI) The South African Nursery Association (SANA (Composting) Turfnet Tech Expects/Co(Composting) Bioenergy Research Group Viewpoint Farming					

Kleena Joburg

Kleena Joburg is a city-wide, multi-stakeholder cleaning campaign that strives to encourage all of Johannesburg’s residents to take care of the environment; and seeks to promote a culture of reducing, re-using, and recycling our waste to ensure that Johannesburg becomes one of the cleanest cities in Africa. The campaign aims to address issues of littering, illegal dumping, overloading of bins, and the dilapidation of open spaces.

7. IMPLEMENTATION AND PERFORMANCE OVERVIEW

Pikitup endeavours to provide quality services to CoJ residents. In upholding the service standards requirements, Pikitup ensures that day-to-day operational matters are conducted within the set timelines. In improving a focused customer culture, Pikitup has continual customer and stakeholder engagements with CoJ residents through various platforms including radio interviews, live broadcasts, print leaflets, website and social media. Stakeholder engagements go as far as having meetings with ward councillors, various SMME forums, faith-based organisations, customer focus groups, educational institutions (i.e. schools) and community members at large. The content of communication engagements includes messages around waste collection service interruptions (i.e. planned and unplanned).

In enhancing service delivery, Pikitup is continually investing in infrastructure expansions, upgrades, repairs and maintenance across all the regions within the CoJ. Given the growth in population and the increased number of informal settlements, Pikitup further provides waste management services to various informal settlements. This goes a long way in showing respect and giving dignity to the residents and citizens of the CoJ.

7.1. Past performance overview

Tables and graphs below reflect the highlights of past service delivery performance and targets for the prior financial periods. The performance against targets were achieved for some indicators and the Company will focus on those areas where targets were not achieved to improve performance. On the positive side, the trend evidenced by the indicators reflects a sustained performance year-on-year, which impacts service delivery positively.

7.1.1 Total tonnages of waste handled and collected by the entity

Waste Disposed Per Activity	2018/19 Total tonnages of waste handled and collected	Annual Total for 2018/19	2018/19 Quarter 1	2018/19 Quarter 2	2018/19 Quarter 3	2018/19 Quarter 4	2019-20 Total tonnages of waste handled and collected	2019/20 Quarter 1	2019/20 Quarter 2
RCR		612 818	136 039	154 582	152 578	169 619		170 095	165 580
Street Cleaning		82 839	20 013	21 383	18 991	22 452		23 257	26 660
Illegal Dumping		291 751	65 879	77 036	70 528	78 308		28 115	74 041
Hostels		4 699	931	1 606	1 035	1 127		1 094	16 283
Recognized Informal Settlements		51 711	10 639	19 287	10 699	11 086		12 145	12 958
Garden Sites		57 262	25 010	6 117	11 948	14 187		4 644	28 094
Total		1 101 080	258 511	280 011	265 779	296 778		239 349	323 616

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CHART 7.1.2 DRY RECYCLABLE WASTE DIVERTED OVER A PERIOD OF THREE YEARS (2016/17-2019/20)

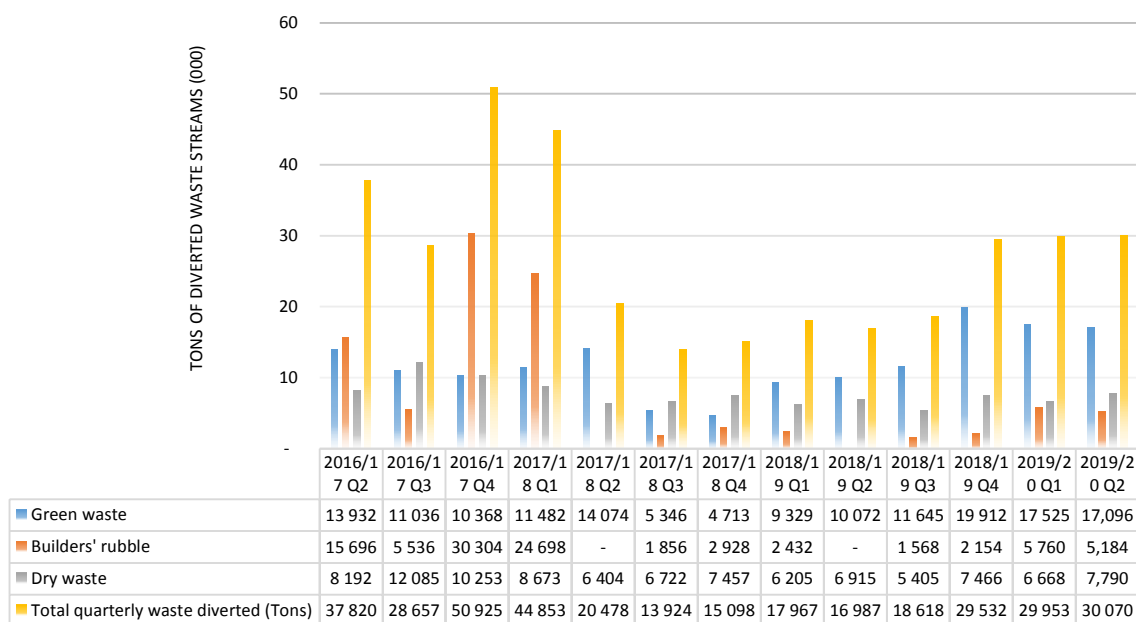
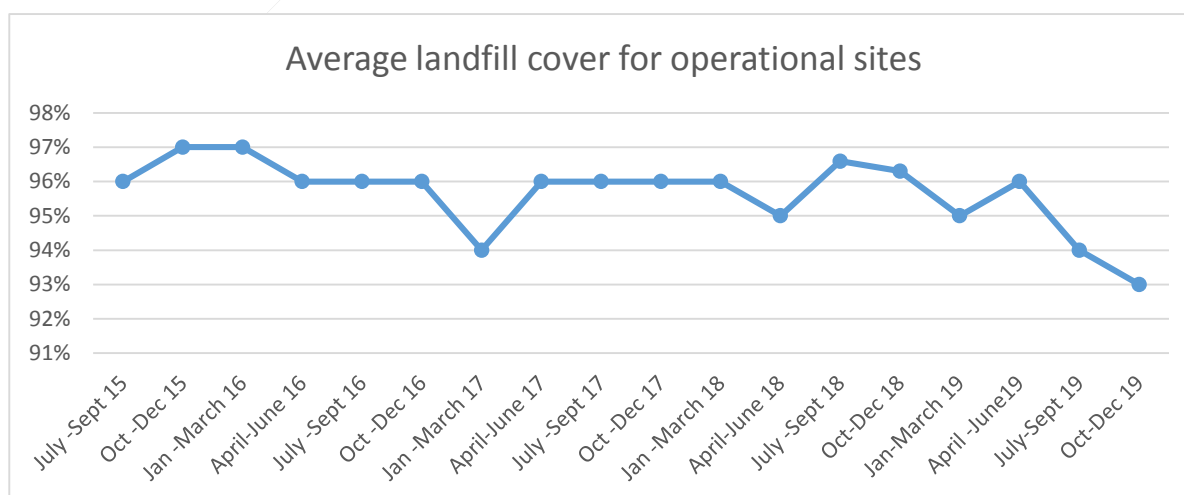


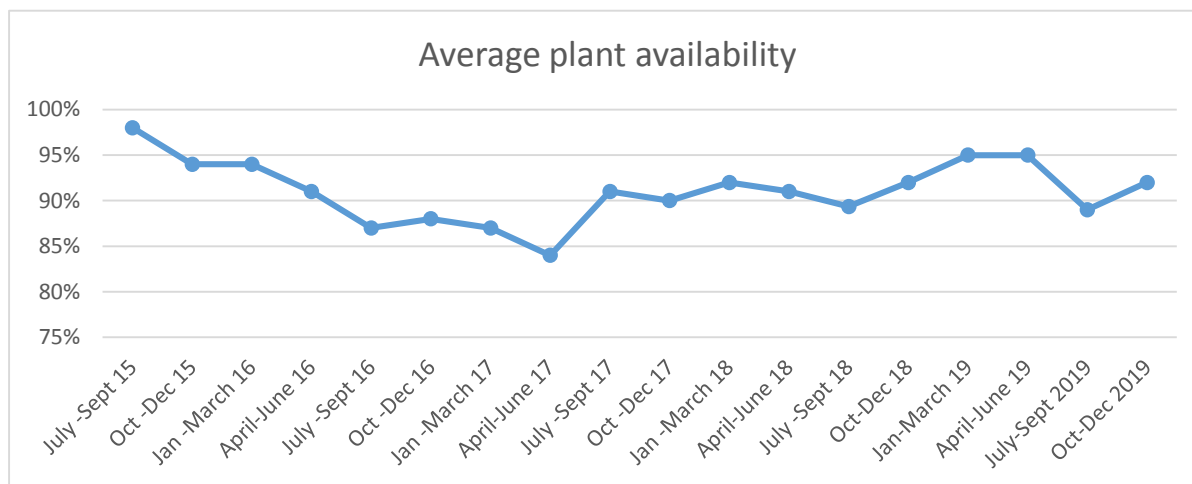
Table 7.1.3 Landfill Disposal over 3 years (2015/2016 – 2019/2020)

Waste Disposed at Landfill Sites	Total for 2015/16	Total for 2016/17	Total for 2017/18	Total for 2018/19	2019/20				
					Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
Robinson Deep	667143	572 800	450353	255655	88304	127573			215877
Marie Louise	373051	407 576	363216	296241	47966	41042			89008
Goudkoppies	266034	341 285	341145	329207	87417	81870			169287
Ennerdale	101168	104 102	83760	70388	14028	20313			34341
Total	1 407 396	1 425 763	1 238 474	951 491	237715	270798			508513

Graph 7.1.4 Landfill cover achieved for the respective landfill sites from 2015/16 – 2019/2020



Graph 7.1.5 Landfill Plant Availability



7.2. KEY PERFORMANCE AREAS

Strategic Goal 1: Building an Efficient, Effective and Viable Waste Management Company

Objective: To ensure sound internal controls and good governance.

Objective: To improve customer satisfaction

Priority 2: Financial sustainability

Customer centric services and processes are required to drive a highly efficient and effective business organisation operating in the logistics space. In order to achieve this goal various supporting processes, systems and structures will be put in place. These relate to:

- Review and implementation of appropriate policies
- Effective management of risks and mitigation actions
- Invest in information systems to inform decision making
- Sound financial management processes
- Building a skilled workforce aligned to the needs of the organisation
- Promote health and safety programmes
- Performance Management
- Achieve a clean audit
- Achieving Commercial Services viability
- Effective external and internal communication plans

Commercial Services

The Commercial Services Department of Pikitup was established to provide a profitable and commercially sustainable waste management services offering to commercial customers within the City of Johannesburg municipal areas. The intention is to have a sustainable revenue source that will be able to reduce the reliance of Pikitup on the grant received from the City of Johannesburg and contribute to a

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financially sustainable company. At present all the consumer revenue and debtors billed from the City of Johannesburg is undertaken by the City of Johannesburg Department and acts as a customer relations and billing agent for Pikitup. The commercial services offered by Pikitup competes with other private waste management companies, and services provided are as follows:

Service	Description Offering
Bulk services	Large waste quantities from individual customers using skips scheduled & on call
Business Dailies	Daily collection services of largely wet waste from business customers
Special Events	Waste management for sports, cultural or other events
Landfill Services	Landfill usage by customers at landfill sites
Safe Disposal	Collection and disposal of expired food stuffs

An action plan has been developed to address the challenges identified and to ensure growth in the commercial department, with the aim to increase the revenue generated from the services offered. The department is strategically positioned to assist the entity to improve its financial performance. The strategic objectives are indicated as follows:

Objectives	Timelines		
	2020/21	2021/22	2022/2023
Improve customer services	▪	▪	▪
Increase Revenue		▪	▪
Increase revenue collection		▪	▪

Table 9.2.1: Action Plan to Achieve Commercial Services Objectives

Objectives	Action plan	Outcomes
Improve customer services	<ul style="list-style-type: none"> Establishment of key accounts management system Creation of portfolio managers Customer satisfaction survey Resolution of customer queries within 7 days Events or functions for key accounts/customers Leverage existing infrastructure and established brand 	<ul style="list-style-type: none"> Maintain good relationship with customers Provide services to customers in line with their expectation. Queries are resolved to customers satisfaction Improve the image of the entity and CoJ

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<p>Increase revenue</p>	<p>Restructuring costing model (cost per each cost driver).</p> <p>Commercial prices not to be gazetted. Introducing recycling to the commercial customers.</p> <p>Introducing ranges of profit mark-up percentages (included in the tariff policy).</p> <p>Distribute marketing pamphlets with details of products/services offered, including promotional offers.</p> <p>Introduce incentive based compensation for staff.</p> <p>Target specific customers in the area e.g. schools and public sector health facilities through the provincial departments.</p>	<p>Increase revenue. Increase company's net profit. Profitable department.</p>
<p>Increase revenue collection</p>	<p>Ensure that procedures are in place to monitor customer arrears and instruct attorneys to collect.</p> <p>The establishments of portfolio or accounts managers to manage individual accounts on issues of collection, customer queries and issuing of statements.</p> <p>Ring fencing of commercial revenue (Bulk and landfill cash collected) so that it does not get allocated in terms of the City's customer receipts allocation policy.</p>	<p>Good debtor's management Reduction of bad debts provision in the financial statements. Complete billing of each entry at landfills</p>
<p>Clean Administration</p>	<p>Customer data clean up Performing various financial reconciliations on a monthly basis.</p> <p>Reviewing existing internal control measures and revise accordingly</p> <p>Engage Revenue Shared Service Centre to allow staff access to SAP billing data.</p>	<p>Clean audit</p>
<p>Introduce recycling on/to commercial customers</p>	<p>Workout the correct package/method of recycling to be introduced on commercial customers.</p> <p>Engage commercial customers that should be targeted for recycling. Pilot the project and results be used to roll-out the projects to all customers.</p>	<p>Retain our existing customers. High diversion rate of waste disposal at landfills.</p>

Strategic Goal 2: Shift towards Integrated Waste Management and Waste Minimisation

Objective: To ensure that waste to landfill is minimized.

Objective: To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner.

Priority 4: Sustainable service delivery

The activities within this strategic goal relates to ensuring that the necessary projects are implemented to ensure waste is diverted from landfills and that re-use and recycle activities are encouraged. In addition the necessary infrastructure to support these initiatives have to be addressed. The projects included are separation at source roll out and extension to additional areas, building buy back centres and garden refuse sites, developing a business case for dealing with green waste and composting as well as addressing the operations and viability of the incinerator. The programme also recognises the role of waste reclaimers in the process and relevant interventions are included to formalise and structure this community.

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Through this programme, the City of Johannesburg aims to build a greener city, bolstered by the growth of a cleaner, inclusive economy. The City of Johannesburg aims to do this with programmes that target the reduction of carbon emissions, minimisation of waste impacts, protection of the natural environment and sustainable resource use during the course of economic activities.

The latest data from the Statistics South Africa (Stats SA) Community Survey (2016) indicate that the City of Johannesburg (CoJ) is among the fastest growing cities in South Africa with a population of approximately 5 million plus residents from a base of about 4.4million in 2011, 3.8 million in 2007, and 3.2 million in 2001. The CoJ, due to its vibrant economic activity, is projected to continue to grow to a population of about 7 million residents by 2040. This could translate to 3.1 million tons of waste managed by Pikitup by 2040. The City's current four landfills, on the other hand, are experiencing a rapid depletion of landfill airspace and should the conventional manner of managing waste, i.e. disposal, continue, Pikitup will run out of landfill airspace by 2023.

In order to deal with a challenge of this magnitude, the RRLP is therefore an integrated long range plan developed to guide the organization to manage waste in an environmentally sustainable manner including the diversion of up to 93% of waste away from landfills by 2040. A phased implementation of waste diversion starting from 2020/15/16 leading up to 2040 has been adopted as depicted in the table below.

Table 7.2.2: Potential Waste Tonnages to be diverted from Landfills (RRLP)

Waste Projections (source: RRLP- 2016)				
Year	Estimated Population	Waste Generation Before Waste Diversion (tons per annum managed by Pikitup)	Percentage Waste Diversion	Waste Diversion Target (tons per annum)
2015	4 843 342	1 524 036	19,7%	300 543
2020	5 378 370	1 773 690	32,1%	568 893
2025	5 881 937	2 021 401	49,2%	795 083
2030	6 372 189	2 283 922	64,4%	1 071 308
2040	7 407 088	3 129 523	93,0%	2 111 685

The above diversion targets are quite aggressive, and are highly dependent on investment of up to circa R 500 million of capex per annum (excluding investment in waste to energy projects). Due to limited financial resources, the waste minimization programmes have been reprioritised in line with the available budget. The below table illustrates the waste diversion targets for the MTREF implementation period commencing in 2017/18 to 2019/20.

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Table 7.2.3: Realistic Diversion Targets Based on Resources

Programme	Indicator	Actual Performance to Date		Targets		
		2016/17	2017/18	2018/19	2019/20	2020/21
Waste diversion from landfills	Tons of green waste per annum	48 978 t	35 615 t	40 000 t	40 000 t	45 000 t
	Tons of builders rubble per annum	62 032 t	29 482 t	40 000 t	40 000 t	50 000 t
	Tons of dry recyclables per annum (S@S)	38 542 t	29 258 t	32 550 t	38 000 t	42 000 t
	TOTAL	149 552 t	94 355 t	112 550 t	118 000 t	137 000 t
Estimated waste volume per annum ¹		1 575 315	1 619 378	1 669 263	1 720 684	1 720 684

The immediate term interventions can be summarized as follows:

Table 7.2.4: Waste Minimisation Interventions - Status and planned activities for 2019/20

Timeline	Waste stream/ key areas	Interventions	Progress
2020/21	Recyclables	Improve S@S implementation programme	S@S has been implemented in the areas of Norwood, Avalon and Midrand, and additional areas targeted for separation at source include Roodepoort, and Randburg. However, subject to budget availability.
		Roll out required infrastructure (upgrading garden sites, buyback centres, mobile and static facilities)	Four garden sites, namely: Ashburton; Strandloper; Babian and Ballyclare have been upgraded to include recycling. Six additional garden sites to incorporate recycling is underway; continuous roll out of static recycling bins for schools and other strategic public locations to be done in partnership with schools and CIDs.
		Legislative Reform	Section 22 of the waste management by-laws already allows for the City to implement mandatory separation of waste at source. Mandatory waste separation at source notice has been gazetted in the Gauteng Provincial Government Gazette.
	Incentivisation	As part of the revised tariff policy and new tariffs to be implemented, it is proposed that the tariffs include incentives and disincentives for recycling. The intention is to reward residents that recycle. This proposal is still in its development phase and will require further planning with regard to the implementation of such a system. The implementation of the bylaws and regulation is required.	
	Green Waste	Technological solutions Private sector collaboration	Collection of garden waste for composting by private sector is currently underway as and when required. Additional private contractors will be appointed in 20/21 to collect green waste from garden sites and divert it away from landfills.
	Food waste	Production of Biogas	Following the completion of the feasibility study in 2016, Pikitup, EISD and UJ advertised in March 2018 for qualifying EPC contractors for the designs of the 50-ton bio-digester plant. Engineering Consultant to be appointed in 2019 for the procurement phase.

¹ Growth in waste estimated at 3% per annum in accordance with population growth figures

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Timeline	Waste stream/ key areas	Interventions	Progress
	Builders rubble	Facilitate off take agreements with private sector	Process was initiated to invite private sector players to off-take crushed material for free. However, this proved unsustainable and the private party withdrew after a few months. Alternative off-take outlets, including partnerships with JCPZ and the JRA are to continue in 20/21. Procurement of primary crusher plant to support current secondary crusher plants will be finalized in 20/21.
	Waste technologies (residual waste)	1st WtE plant (private sector collaboration)	The process to finalize the NTVR1 to be concluded in 20/21.
	Integrated Waste Management Facility	Finalize siting study for an integrated facility including recycling, disposal composting, builders rubble and chipping of green waste	Preliminary designs for Linbro, Kya Sands and Marie Louise landfill sites commenced in 2017/18. Final designs and EOI process commenced in 2018/19, and finalisation of the project is anticipated in 20/21. Implementation of the MRFs at the above landfills is currently being reviewed.

a) Green Waste

The recently promulgated *National Norms and Standards For Disposal Of Waste To Landfill (August 2013)* stipulate that generators and entities need to actively initiate plans to divert garden waste (i.e. green waste) away from landfills so as to achieve the following targets:

- 25% from baseline² within next 5 years (i.e. 2018), and
- 50% from baseline within next 10 years (i.e. 2023)

In 2020/21 the following interventions will be pursued:

- Secure the long term leasing of the Panorama composting facility to a private operator.
- Secure long term leasing of historically closed landfill sites to private operators.
- Improve mandatory source separation of garden in targeted areas with access to garden waste drop-off sites.
- Secure further partnerships with the private sector to increase diversion of garden waste away from landfills.
- Piloting of special collection days for green waste in targeted areas.
- Finalise the procurement of the 50 ton Bio-digester.

² Baseline refers to the volume of green waste generated in the municipality during 2013.

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b) Recyclables from Domestic Waste

The term “Recycling” in this context means the removal of packaging waste generated by households, typically comprising plastics, paper, cardboard, glass and metals, but excluding “recyclable” wastes such as organic/garden wastes, builders’ rubble, tyres, bulky wastes, e-waste and liquid wastes.

Two general types of diversion of this stream may be considered, namely;

- Source separation (e.g. households separate recyclables from non-recyclables for collection and further separation at a centralised “Clean” Material Recovery Facility (MRF) or decentralised MRF’s or various variations of this, mechanically or by hand).
- “Dirty” Waste materials recovered directly from the general municipal waste stream (e.g. the recyclables are extracted at centralised or decentralised facilities, mechanically or by hand).

Some of the programmes that will be pursued in 2020/21 include the following:

- Improve co-operative model to increase participation of separation at source;
- Finalise the replacement and refurbishment of underground bins in the Inner City;
- Explore further partnership with City Improvement Districts (CIDs) to rollout recycling bins at selected precincts;
- Partner with private sector to increase number of mobile buyback centres;
- Mobilize and partner with the community to be street prefects and education officers in selected targeted areas.

c) Builder’s Rubble

The primary objective is to reduce illegal dumping and secondly to divert builder’s rubble away from landfills, thus reducing airspace consumption and increasing the lifespan of existing landfills. Crushing of builder’s rubble also provides an additional source of material for landfill capping (daily and final).

In the short term, the intervention would be to obtain accurate records of clean and contaminated rubble arriving at Pikitup’s sites and dumped illegally and optimally operate the crushing plants at all landfills and other areas.

Pikitup will also actively identify stakeholders and partners in order to create a demand for the crushed materials. Some of the interventions that will be pursued in 2020/21 include the following:

- Continue partnership with JMPD to have dedicated officers for Pikitup to enforce the waste by-laws.
- In conjunction with the CoJ Planning Department, enforce the reviewed by-law on builders’ rubble removal through effecting the waste removal deposit for new developments and or improvements on existing buildings.
- Continue partnership with City Parks and Zoo for the rehabilitation of some of the gravel roads at the cemeteries.
- Continue partnership with JRA for alternative uses of builders’ rubble.

d) Infrastructure Development

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There are 34 known operational buy back and recyclers centres in the City of Johannesburg, of these, only six are managed by Pikitup and owned by the City of Johannesburg, i.e. Zondi, Diepsloot, Naledi (Reashoma), Orange Farm, Alexandra and Marlboro. The City of Johannesburg owns the land, Pikitup oversees the facilities and buildings and private SMMEs operate the buyback centres. The purpose of these centres is to encourage the collection of recyclable materials in the communities by paying cash to reclaimers and co-operatives for recyclables such as glass, paper, plastic, cans etc. An average buy-back centre engages with about 100 reclaimers and walk-in clients per day (Pikitup Waste Management Services Plan, 2011). In addition, the Buy Back Centres will provide a facility for SMMEs to sort and store waste collected through the Separation at Source programme.

Pikitup has 42 garden sites which are used for the collection and disposal of garden waste and other recyclables. The entity continues to upgrade the existing garden/drop-off sites into Integrated Waste Management Facilities (IWMMF) and endeavours to develop additional facilities that will ensure that each resident has a facility within a 5km radius to make waste minimisation easy and accessible. Close proximity of such facilities will also reduce transport costs to the recyclers and make operations more viable. To date a total of twelve (12) garden sites have been upgraded to IWMMF, and this programme will continue into the new financial year. This inequitable provision of garden sites results in residents travelling long distances to drop off their garden waste. This also results in high transport costs being incurred by Pikitup when hauling garden waste from garden sites to the landfills. In the south, the existing garden sites need to be developed into centres of excellence to include sorting and buy back facilities in order to ensure optimum use of infrastructure and resources. The establishment of the Integrated Waste Management Facilities are critical to the success of the new operating model, as these facilities will become the nodes where all local activities will be implemented. The intention is to upgrade garden sites and buy back centres, as well as establish new facilities that will include a range of activities. It will:

- Provide facilities for all types of waste, i.e. garden waste, recyclables, builder's rubble, e-waste and others;
- It will provide sorting facilities where recyclers can sort recyclables further and where waste collected from street cleaning and other areas may be sorted;
- Provides for buyers to buy the recyclable waste;
- Provides scales and other infrastructure to ensure that tonnages can be monitored;
- Builders' rubble crusher plants will also be made available in order to process the builder's rubble collected;
- Provides general administrative capacity to monitor the activities within the area.

Pikitup therefore identified various infrastructure projects to be implemented in the 2016 - 2021 financial years. The implementation programme is detailed in the capital budget allocation. The activities related to the establishment of the centres include the following:

- Garden sites to be upgraded to include recycling facilities as well as provide support to the existing sorting buy back centres;
- Ensure that all council owned sorting buyback centres have lease agreements with the tenants;

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- Apply for consent of use for sorting buyback centres on council owned properties at JPC;
- Facilitate the execution of Environmental Impact Assessments (EIAs) for each site;
- Initiate the process of upgrading all garden sites to become Integrated Waste Management Facilities;
- Expansion plans for Linbro, Kya Sands and Marie Louise landfill sites commenced, and pursue the feasibility of establishing waste transfer and material recovery facilities at the Northern Work; Robinson Deep and Orange Farm.

e) Implementation of Priority Programmes

Separation at Source

The separation at source (S@S) programme is part of the Pikitup's overall strategy to change resident behaviour, reduce waste to landfills and establishing a recycling economy through separation at source and methods of reducing, reusing and recycling waste.

It should also be noted that the success and ability to meet the target is dependent on the availability of capital and operational funding. Other considerations are the relationship and roll-out of Co-production/SMMs, upgrading of infrastructure (e.g. Garden sites and buy back centres), formalising the activities of pickers and mobile recycling stations. It is noted that the relationship between Pikitup and the SMMs (including household and reclaimers) is key to the Separation at Source programme. S@S has been rolled out in the following depots: Zondi, Central camp, Marlboro, Waterval, parts of Avalon (Orange Farm, Lenasia), part of Randburg (Diepsloot) and part of Randburg (Zandspruit), parts of Midrand and Southdale.

The programme to upgrade all garden sites into integrated waste management facilities (IWMFs) and the recommissioning of Robinson Deep MRF will also continue in the effort of ensuring that infrastructure is conveniently spread across the City for the convenience of the residents.

a) Plans to make recycling obligatory and to introduce incentives

As indicated above, the readiness plan for implementation of mandatory separation of dry recyclables in areas where separation at source has been rolled out, and garden waste in selected middle to high income areas, was developed in 2017/18. Implementation will be undertaken during the course of 2019/20.

In terms of the new tariff policy and tariff proposals, incentives are being considered for inclusion into the basket of proposals to incentivize households to participate in the separation at source programme.

Strategic Goal 3 Promote and Ensure Effective Delivery of Waste Services

Objective To ensure effective and efficient waste services

Whilst implementing projects to enhance waste minimisation, it is necessary to ensure that current services are provided in an efficient manner and that service levels are improved. A clean city builds investor confidence and improves the health and quality of life of its citizens. Various initiatives in the 2020/21 financial year are aimed at improved cleanliness levels in targeted Central Business District areas especially inner city and

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improved access to waste management services in the informal settlements. Specific attention is also paid to measures that will address illegal dumping in the city. In order for the operation to improve and become more efficient, particular attention will be given to the management of the fleet as it contributes to poor service delivery as well as high costs.

The customer-centricity of services has progressively improved over time, with delivery bolstered through the establishment of various institutional structures and systems to monitor and improve performance. To ensure the effectiveness of customer-centricity, Pikitup has embarked upon the development of an integrated ward by ward based operational plan.

The following approach has been taken into consideration in the development of Ward-by-Ward (WbW) business model for the operational activities of Pikitup:

Data per ward to provide situational analysis taking into account the following:

- Number of households; other public facilities, i.e. shopping centres; schools; clinics; etc.;
- Volume/tonnage of waste generated and collected by Pikitup;
- Waste management facilities available in the various wards (City owned and Private);
- Socio-economic conditions;
- Land-use status;
- Densities and categories of dwellings;
- Commercial activities.

The approach also recognises that in developing the desired and or future service delivery models, revised or new options have to be devised per activity. The current resources have to be reviewed, i.e. fleet; plant; equipment and people to devise the ideal required resources per activity. Outline the indicative implementation plan with time frames to roll-out the desired operating model. Incorporate a monitoring plan with indicators to monitor the implementation of the desired end state.

The representative categories reflecting the CoJ demographics to be prioritised were agreed as follows:

Category
Low income; high density; consisting of informal settlements and hostels
Low income; high density with high rise buildings
Mixed commercial; high density; high rise buildings with transport nodes; bad buildings; informal trading
Low income; low density
Middle income; low density
High income; low density with townhouses/cluster dwellings
Middle income; low/middle density

The above categories took into account the revision of all operational activities which entail the following:

- Refuse Collection Round (RCR);
- Street Cleaning;

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- Diversion of dry recyclables;
- Diversion of green waste;
- Diversion of builders' rubble;
- Management of illegal dumping;
- Informal settlement cleaning;
- Hostel cleaning;
- Residential bulky waste collection;
- Dailies and commercial services provision.

The WbW is being developed taking into cognisance the integration of all business strategic plans, i.e. this Business Plan; Waste Minimisation Plan; Resource Recovery and Logistics Plan; Illegal Dumping Strategy as well as the Green/Organic Waste Diversion Strategy currently under review and to be implemented during the course of 2020/21.

Ranking and prioritisation of solutions to achieve the business strategies is vital as the business operates within competing demands and resources are not in abundance. Phased approach in implementing the agreed and approved solutions is prudent. Ensure alignment of budget and resource requirements. Innovation and technology should be paramount in devising the new and desired solutions. Private Public Partnerships (PPPs) will have to be explored in the implementation of desired solutions. Pikitup aims to ensure excellent and proactive service delivery through its long-term plans and targeted programmes, and the provision of aligned services and enabling support. Improved service delivery is a cornerstone of the city's development plan which is to ensure improved access to quality and affordable basic service, which is aligned to Pikitup strategic goal of ensuring the provision of effective and efficient delivery of waste services.

a) Domestic RCR and Street Cleaning

The entity is responsible for waste management and refuse removal services. The ward based operational approach will be the cornerstone to deliver waste removal services. Operation efficiencies are to be achieved through improved processes and management. Initiatives include:

- Capacitation of these services with adequate resources, i.e. staff; fleet; plant and equipment;
- Improved management of staff to increase productivity;
- Regular data collection and monitoring of services;
- Mechanisation in certain areas where it makes sense i.e. mechanical street sweepers to be deployed where appropriate.

b) Illegal Dumping

Illegal dumping is the unlawful deposit, tipping of waste where no license or approval exists to accept such waste that—when viewed in its entirety—is greater than 200 litres (about the volume of an average household wheelie bin). Types of waste can range from bags of rubbish in public areas such as roadsides, parklands and private land to larger scale dumping of waste including building (construction and demolition) materials, household goods, abandoned cars, scrap tyres, health care risk waste and hazardous waste. Illegal dumping does not include litter strewn on pavements or other areas.

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Illegal dumping remains a challenge and it is acknowledged that the matter can only be addressed through partnerships. The plan has sought to explore a basket of proposed interventions for curbing illegal dumping and littering. These are explored under the following pillars:

- **Preventive measures** – mechanisms that are geared towards preventing access to hotspots to ensure no further increase in littering and illegal dumping (e.g. perception studies, barricades, etc.). This includes initiatives such as securing public owned land with fencing, development of land, providing adequate bins and receptacles for disposal of waste, ensuring service is effective and efficient, continued implementation of bulky waste collection in areas on allocated days as well as a deposit on approval of building plans for the disposal of builder's rubble. Sites have also been identified in each ward to manage illegal dumping and process is underway to obtain consent from JPC to use the sites.
- **Corrective measures** – mechanisms that come into effect once there has been an incidence of littering and illegal dumping (e.g. clearing of illegal dumping, converting hotspots into useful spaces, etc.). There has been successful implementation of food gardens in low income areas as well, where illegal dumping spots are eradicated and converted into community food gardens or recreational spaces.
- **Enforcement** –Community needs to assist to identify those that dump illegally and take responsibility for the monitoring of the cleaned areas. Close cooperation with JMPD and Environmental Health is key to the success of the programme and it is proposed that peace officers be reinstated within Pikitup with a view to assist with enforcement of by laws. A fine schedule to be developed to allow significant fines to be issued and/or jail time to offenders that are caught dumping illegally.
- **Education & awareness** - Partnerships and stakeholder involvement is key to the success of addressing illegal dumping. The cooperatives to be established will also become responsible for education and awareness in communities. As the reward system will be linked to the eradication of illegal dumping spots and the overall cleanliness of the area, there is an incentive to ensure education and awareness in the community.

c) Informal Settlements

Informal settlements remain a challenge to Pikitup as these areas do not have adequate receptacles and the population exceed the number of bags that can practically be provided to contain waste generated within these settlements. This often leads to illegal dumping in the area, and as part of the ward based operational approach, regional depots have structured operational teams to provide refuse collection service in informal areas. In providing cleaning services, inspectors have been allocated to monitor cleanliness of areas and the services provided. This approach is to be followed in all informal areas being serviced by Pikitup.

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Furthermore, distribution of appropriate waste receptacles to enable recycling in areas that are formalised. The appropriate waste receptacle distribution is anticipated to improve the level of service and entail a long term saving of operational budget in the form of immediate reduction of personnel numbers, RCR and street cleaning bags.

d) Inner City of Johannesburg

The Inner City is a key area that impacts on the perception of the company's performance. It is also acknowledged that the Inner City is a key driver for investment and economic growth and thus the highest standards of service should be implemented. In order to address the cleanliness levels in the Inner City, a new operational model has been developed and implemented and will continue to be refined. The plan addresses changes in the shift system, use of technology as well as stakeholder management and partnerships with key stakeholders. The Inner City will also be the focus of the waste campaign that is aimed to change citizen behaviour. Partnerships and stakeholder involvement is the cornerstone to the successful cleaning of the Inner City.

Various solutions to be investigated and tested including the refurbishment of the underground bins and the appointment of bin prefects to ensure these are adequately maintained and used in the correct manner. The deployment of static compactors and skips in high density areas will be investigated to address high volumes of waste. Various interventions, driven by partnerships, are planned in order to ensure optimisation of resources and efficiency in the way Pikitup delivers its services. Some of these interventions have already been implemented and will continue, in addition to new interventions:

- Implementation of revised shift system to ensure continuous cleaning;
- Employment of additional workers to assist with cleaning in Inner City;
- Placement of open skips in strategic locations;
- Review and make recommendations on the workability of underground bins;
- Performance management system to ensure cleanliness and productivity of workers in the area;
- Plastic bags for refuse to be provided to informal traders;
- Increased number of Community Educators and Rangers to be deployed in order to engage stakeholders;
- Water tankers used to flush streets;
- Waste bags to be removed to central collection point that is accessible by Pikitup trucks;
- Partnerships with land owners, tenants and business in the Inner City to be strengthened;
- Roll out of bins where previously not in following areas: Kaalfontein, Ivory Park and Orange Farm.

e) Fleet Management

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Fleet composition and requirements will change with the implementation of the revised ward based operational model. The need for conventional waste compactors will reduce and will increase or dual purpose waste collection and recycling vehicles. The City has embarked upon re-fleeting of its core specialised waste collection vehicles. The procurement of replacement vehicles is currently in the initial stages of procuring the hybrid model of City owned units and a five year FML model, where fit for purpose specification, responsive to the strategic intent, has been developed. Pikitup is dependent on Group Shared Services Department of the City to realise this goal.

Strategic Goal 4 Objective	Realisation of Vale Value throughout the Waste Value Chain To use waste as resource for poverty alleviation and to create job opportunities
Priority 5:	Job opportunity and creation

In order to address waste prevention as well as the minimisation of waste, there is a need to create value from waste throughout the value chain. Incentives and disincentives should be used to ensure that minimal waste is generated but also that there is an incentive to recycle and extract valuable waste from the waste stream that may then be used as productive resources in other processes. Pikitup will make a contribution by ensuring that a recycling economy is established in the City of Johannesburg where communities and entrepreneurs will be able to manage and benefit from recycling activities and waste may be used as a resource to produce various products. At the centre of this intervention is the establishment and facilitation of various co-operatives and waste pickers in the rolling of separation at source city wide. Some of the programmes that will be pursued in 2020/21 include the following:

- Appointment of community based co-operatives and entrepreneurs to take responsibility for collecting and managing recycled waste, including in informal settlements.
- Organize reclaimers and small scale waste collectors to enable them to partner with private sector partners to support their infrastructure needs;
- Facilitate training of waste pickers by relevant partners, and other industry associations;

The entity will continue with implementing Working on Waste Clean-up Campaigns during 2020/2021 through the Expanded Public Works Programme (EPWP). The EPWP beneficiaries will participate in recycling activities (S@S), street cleaning including in the informal settlements and hostels as well as clearing and eradicating of illegal dumping spots in identified areas.

Strategic Goal 5	Partnerships and Involving Stakeholders
Objective:	Increase partnerships to deliver and ensure active stakeholder involvement
Priority 7:	Active and engage citizenry

Behavioural change in the home and in the workplace is key to the success of waste prevention and minimisation and therefore significant resources will be allocated to developing partnerships and involving stakeholders in education and awareness programmes. Education and awareness creation in communities is also critical to address matters of illegal dumping, improving separation at source participation and more effective law enforcement. It is acknowledged that Pikitup cannot achieve these goals by itself and therefore requires partnerships and participation from various stakeholders.

In view of the above, a robust, effective and efficient integrated communications approach will be adopted and implemented through the application of innovative techniques and solutions, forging lasting partnerships and stakeholder involvement. A large-scale multi-dimensional education and community outreach programmes will be prioritised and will be a key driver in ensuring harmony and alignment with waste minimisation programmes, which are:

- Reduction and eradication of illegal dumping through community outreach, education and awareness programmes.
- Roll out and expansion of the mandatory Separation at Source City wide.
- Drive clean up campaigns
- Partnerships and Stakeholder Involvement.
- Mobilise internal Pikitup staff to be ambassadors for separation at source
- Design strategic events and marketing Pikitup activities

In order to achieve the above focus areas, the following activities will be undertaken.

Table 7.2.5: Activities to improve stakeholder engagement

Programme	Key Activities	Outcomes
Reduction and eradication of illegal dumping through community outreach, education and awareness programmes.	<ul style="list-style-type: none"> • Hire a truck - branded and fitted with screen, stage and sound to conduct robust education and awareness activities in schools, taxi ranks and communities in all seven regions of the City of Johannesburg in collaboration with the depots. • Implement the schools recycling competitions • Development of education and awareness collateral • Implement weekly community blitz against illegal dumping in all depot areas. • Marketing campaign in terms of Above-the-Line, Below-the-Line and 	<ul style="list-style-type: none"> • Reduction in the number of illegal dumping spots. • Educated and aware community. • Advocacy for illegal dumping.

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Programme	Key Activities	Outcomes
	<p>Activations to create awareness and education on the dangers of illegal dumping.</p>	
<p>Roll out of the mandatory Separation at Source at targeted areas.</p>	<ul style="list-style-type: none"> • Promote Mandatory S@S using above-the-line, below-the-line and activations. • Work with the two appointed service providers and conduct door to door education and awareness. • Provide community awareness workshops. • Implement community cleaning at the mandatory S@S areas. • Inform stakeholders about the mandatory S@S and obtain their buy-in and support. • Organise community engagement sessions to inform and educate the communities about the mandatory S@S. • Engage the Ratepayers Associations NGOs, CBOs, FBOs to obtain their support and mobilise them to play an advocacy role for the mandatory S@S. • Run print adverts and strips, supplements and editorial coverage on S@S will also be done. 	<ul style="list-style-type: none"> • Increased participation rate • Waste diversion • Mobilised community
<p>Upgrading of ten drop off sites to include buy-back centres, sorting facilities and depots (dependent on the Operations Department)</p>	<ul style="list-style-type: none"> • Brand the newly upgraded facilities. • Ensure that the signage of the upgraded facilities is in accordance with Pikitup's the Corporate Identity guidelines. • Launch of the newly upgraded facilities including the depots. 	<ul style="list-style-type: none"> • Uniformity in all Pikitup's depots and sites. • Standardised Corporate Identity
<p>Partnerships and Stakeholder Involvement</p>	<ul style="list-style-type: none"> • Establish a Green Joburg Forum to promote cleaner development mechanisms and act as an advisory body to Pikitup and CoJ on issues of waste and environment. • Identify partners and establish joint ventures that will support Pikitup's business imperatives. • Leverage on the existing platforms and programmes of stakeholders and advocate for Pikitup's mandate. • Conduct dialogue sessions with stakeholders in the building and construction industry to address illegal dumping of the builders' rubble. 	<ul style="list-style-type: none"> • Functional Industry Forum to support the development of the green economy for the City of Johannesburg. • Secure partnerships and investments for the Forum. • Establishment of joint venture programmes between Pikitup and its stakeholders. • Informed stakeholders who support the initiatives of the organisation. • Finding amicable solutions for illegal dumping of the builders' rubble.
<p>Communications Impact and Stakeholder Perceptions Survey</p>	<ul style="list-style-type: none"> • Conduct a communications impact and stakeholder perceptions survey to determine the impact of communication and stakeholder tactics applied. 	<ul style="list-style-type: none"> • Better departmental planning and performance.
<p>Brand Repositioning of the Commercial Unit</p>	<ul style="list-style-type: none"> • Develop new brand identity in support of the repositioned commercial unit. • Develop a marketing campaign and toolkits for the repositioned commercial unit 	<ul style="list-style-type: none"> • Successful creation of the customer-centric value proposition for the commercial unit.

7.3. Pikitup 2019/20 Service Delivery and Budget Implementation Plan

The implementation of the entity's business plan over the 2020/2021 financial year is given effect through the Service Delivery Budget Implementation Plan (SDBIP). The SDBIP is the implementation tool used to align the entity's strategic goals and budget to the IDP priorities. The focus of the SDBIP is both financial and non-financial measurable performance objectives in the form of service delivery targets and other performance indicators. The SDBIP is essentially the management and implementation tool which sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the entity, thus providing credible management information and a detailed plan for how the entity will provide such services and the inputs and financial resources to be used. The SDBIP it also details the implementation of service delivery and the budget for the financial year in compliance with the Municipality Financial management Act (MFMA) which is the budget for a specific year or period, 2003 (act 56 of 2003).

The MFMA is there to ensure that Local Government arranges it finance in a sustainable way to ensure that the prioritized objectives of the SDBIP/ Municipal Budget are met, and that the financials are used properly. The implementation of 2020/21 activities are informed by the City's IDP 9 priorities, COJ 10 priorities and National Treasury Circular 88 and USDG.

Finally, the entity's policy on Business Planning and Performance Monitoring requires that the organisational scorecard to be directly linked with individual performance agreements of all relevant staff.

4.1270

Table 7.3.1: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP 2020/21)

KPI No.	Linkage to Strategic Political Priorities	Strategic goal	KPI	Intervention	Baseline	2020/21 Target	2021/22 Target	2020/21 Budget per Programme		Q1 Jul-Sept	Q2 Oct-Dec	Q3 Jan-Mar	Q4 Apr-Jun
								Capex	Opex				
1	Priority 1: Promote Economic Development and attract investment towards achieving economic growth. Priority 3: create a culture of enhanced service delivery with pride.	Strategic Goal 1: Building an Efficient, Effective And Viable Waste Management Company.	Percentage (%) Capital Budget spent	N/A	87%	95%	95%	R 86 217 000	N/A	10%	30%	70%	95%
2			Percentage (%) SMME procurement spend.	N/A	10%	30%	30%	N/A	N/A	30%	30%	30%	30%
3			Percentage (%) of valid departmental invoices paid within 30 days of invoice date.	Implementation of the approved accounts payment policy.	44.59%	98%	98%	N/A	N/A	95%	95%	95%	95%
4			Reduction in disabling injury frequency rate (DFIR)	Promote health and safety programmes in the workplace.	3.9	2.5	2.5	N/A	N/A	2.5	2.5	2.5	2.5
5			Audit opinion obtained from Auditor General South Africa (AGSA)- (Annual Target)	Improve internal and governance	Unqualified with findings	Clean audit opinion obtained from AGSA	Clean audit opinion obtained from AGSA	N/A	N/A	N/A	N/A	N/A	Clean audit opinion obtained from AGSA
6			Percentage (%) resolution of Auditor General findings (Annual Target)	Improve internal and governance	83%	Resolve 85% of 2019/20 AG findings	Resolve 90% of 2020/21 IA findings	N/A	N/A	N/A	N/A	N/A	Resolve 85% of 2019/20 AG findings
	Priority 7: Enhanced financial sustainability		Percentage (%) resolution of Internal Audit findings (Annual Target)	Improve internal and governance	80%	Resolve 85% of 2019/20 IA findings	Resolve 90% of 2020/21 IA findings	N/A	N/A	N/A	N/A	Resolve 80% of 2019/20 IA findings	

4.1271

7	<p>Priority 9: Preserve our resources for future generation</p>	<p>Strategic goal 2: Integrated Waste Management, Waste Prevention And Waste Minimisation</p>	<p>Percentage (%) landfill compliance to GDARD regulations and permit conditions as issued by DEA and DWAF, related to: Robinson Deep Ennerdale Goudkoppies Marie Louise (Annual Target)</p>	<p>Continuous upgrading of landfill infrastructure and permit amendments to ensure compliance to the GDARD regulations and permit conditions as issued by DEA and DWAF.</p>	94.16%	95%	95%	N/A	N/A	N/A	N/A	N/A	95%
8			<p>Tonnes of green waste diverted</p>	<p>Secure leasing of Panorama composting facility to a private operator PPP.</p>	50 958	45 000	50 000	N/A	N/A	10 000	10 000	10 000	10 000
9			<p>Tonnes of builder's rubble diverted</p>	<p>Revisit the builder's rubble diversion strategy and secure alternative uses of processed building rubble.</p>	8 224	50 000	60 000	N/A	N/A	10 000	10 000	10 000	10 000
10			<p>Tonnes of dry waste diverted through Pikitup interventions (paper, plastic, glass, cans)</p>	<p>Roll out and expand the separation at source activity city wide. Organize reclaimers and recyclers to enable them to partner with Private Companies.</p>	25 991	42 000	45 000	N/A	N/A	6 000	10 000	10 000	12 000
12			<p>Tonnes of waste disposed at the landfill sites</p>	<p>Continue with waste prevention and waste minimisation initiatives as well as Partnerships – landfill gas to energy, bio digesters, builders' rubble crushing, MRF's compost plant</p>	961 831	Less than 1 389 121 tons	Less than 20/21 baseline	N/A	N/A	288 374	342 644	376 796	381 307

4.1272

13			Number of drop off centres upgraded to Integrated Waste Management Facilities	Refurbishment of garden sites into IWMF in accordance with GDARD requirements	4	7	11	R37 450 000.00	N/A	1	2	2	2
14			Number of areas participating in separation at source	Increase the number areas participating in separation at source	New Indicator	5	6	N/A	N/A	1	1	1	2
15	Priority 3: Create a culture of enhanced service delivery with pride	Strategic goal 3: Effective and efficient delivery of waste management services	Number of formal households receiving weekly waste removal services	Implement shareholder and board approved fleet full maintenance lease (FML). And roll out of 240/ bins to formalized areas.	1 184 961	1 366 312	1 366 312	N/A	N/A	1 366 312	1 366 312	1 366 312	1 366 312
16			Percentage (%) of all City recognized informal settlements provided with integrated waste management services	Improve refuse containment and collection in informal settlements by providing (85) waste bags and strategically placing 6m ³ skips	165 (69.34%) (Reported number of all City recognized informal settlements provided with integrated waste management services)	100%	100%	N/A	N/A	100%	100%	100%	100%
17			Improved City cleanliness levels in targeted areas City-wide	Increase allocation of resources towards the cleanliness of the inner-city and roll out of fit for purpose litter bins	Level cleanliness 1	Level 2 cleanliness	Level 2 cleanliness	N/A	N/A	Level cleanliness 2	Level 2 cleanliness	Level 2 cleanliness	Level 2 cleanliness
18			Number of illegal dumping spots rehabilitated	Rehabilitation of cleaned illegal dumping spots for community use and/or enhancement	6	6	7	N/A	N/A	1	1	2	2
19	Priority 2: Ensure pro-poor that addresses inequality and poverty and provides	Strategic goal 4: Realization of Value Throughout the Waste Value Chain.	Number of work opportunities created through Expanded Public Works Programmes (EPWP).	N/A	5 002	5500	6000	N/A	N/A	1000	1500	1500	1500

4.1273

	meaningful redress												
20			Number of cooperative agreements on waste minimisation	N/A	New Indicator	6	7	N/A	N/A	1	1	2	2

4.1274

7.4. Corporate Scorecard

This scorecard will be used to report performance of the entity on a quarterly as well as annual basis.

PIKITUP STRATEGIC CORPORATE SCORECARD											
Mayoral Priorities	Pikitup Strategic Goal	Strategic Goal Weighting	Key Performance Indicator	Weight	Baseline	2020/21 Annual Target	Q1	Q2	Q3	Q4	MoV
							Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	
Priority 1: Promote Economic Development and attract investment towards achieving 5% economic growth.	Strategic Goal 1: Building an Efficient, Effective And Viable Waste Management Company.	10%	Percentage (%) Capital Budget spent.	40%	87%	95%	10%	30%	70%	95%	SAP Report
			Percentage (%) SMME procurement spend.	20%	30%	10%	10%	10%	10%	10%	SAP Report
			Percentage (%) of valid departmental invoices paid within 30 days of invoice date.	20%	44.59%	95%	95%	95%	95%	95%	SAP Report
Priority 2: Ensure pro-poor that addresses inequality and poverty and provides meaningful redress.	Strategic goal 4: Realization of Value Throughout the Waste Value Chain.	6%	Number of work opportunities created through Expanded Public Programmes (EPWP).	100%	5 002	800	200	200	200	200	EPWP contracts
			No of co-operative relationships initiated on waste minimisation	100%	New Indicator	6	1	1	2	2	Co-operative contracts

4.1275

PIKITUP STRATEGIC CORPORATE SCORECARD											
Mayoral Priorities	Pikitup Strategic Goal	Strategic Goal Weighting	Key Performance Indicator	Weight	Baseline	2020/21 Annual Target	Q1	Q2	Q3	Q4	MoV
							Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	
Priority 3 create a culture of enhanced service delivery with pride.	Strategic goal 1: Building an Efficient, Effective And Viable Waste Management Company.	20%	Percentage (%) landfill compliance to GDARD regulations and permit conditions as issued by DEA and DWAF, related to: Robinson Deep Ennerdale Goudkoppies Marie Louise	15%	94%	95%	N/A	N/A	N/A	95%	Annual independent Environmental Audit Report.
			Audit opinion obtained from Auditor General (AG).	20%	Unqualified Audit with findings	Clean audit opinion obtained from Auditor General South Africa	N/A	N/A	N/A	Clean audit opinion obtained from Auditor General South Africa.	AG Final Report.
			Percentage (%) resolution of Auditor General findings	10%	Resolve 83% of AG findings	Resolve 85% of 2018/19 AG findings	N/A	N/A	N/A	Resolve 75% of 2018/19 AG findings	AG report
			Percentage (%) resolution of Internal Audit findings	10%	Resolve 80% of IA findings	Resolve 85% of 2018/19 IA findings	N/A	N/A	N/A	Resolve 80% of 2018/19 IA findings	Internal Audit report
			Reduction in injury rate (DFIR).	10%	2.5	2.5	2.5	2.5	2.5	2.5	2.5

4.1276

PIKITUP STRATEGIC CORPORATE SCORECARD											
Mayoral Priorities	Pikitup Strategic Goal	Strategic Goal Weighting	Key Performance Indicator	Weight	Baseline	2020/21 Annual Target	Q1	Q2	Q3	Q4	MoV
							Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	
Priority 3 create a culture of enhanced service delivery with pride.	Strategic Goal 3: Effective and efficient delivery of waste management services.	22%	Number of formal households receiving weekly waste removal services.	20%	1 184 961	1 366 312	1 366 312	1 366 312	1 366 312	1 366 312	Service trip sheet, weekly RCR schedule and Ward by ward operational plan (Domestic RCR).
			Percentage (%) of all City recognized informal settlements provided with integrated waste management services.	20%	165 (69.34%)	100%	100%	100%	100%	100%	Service trip sheet
			Improved City cleanliness levels in targeted areas City-wide.	30%	Level cleanliness 1	2	2	2	2	2	Photometric evidence
			Increase participation in separation at source	30%	New Indicator	6	1	1	2	2	Co-operative contracts
	Strategic Goal 5: Partnerships and stakeholder involvement.	10%	Number of illegal dumping spots rehabilitated	30%	6	6	1	1	2	2	Physical site visit to the eradicated site with supporting photometric evidence.
Priority 9: Preserve our resources for future generation	Strategic goal 2: Integrated Waste Management, Waste Prevention And Waste	22%	Tonnes of green waste diverted.	20%	50 958	40 000	10 000	10 000	10 000	10 000	Number of loads of green waste collected. Tonnages are calculated based on best industry practice (National Waste

4.1277

PIKITUP STRATEGIC CORPORATE SCORECARD											
Mayoral Priorities	Pikitup Strategic Goal	Strategic Goal Weighting	Key Performance Indicator	Weight	Baseline	2020/21 Annual Target	Q1	Q2	Q3	Q4	MoV
							Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	
	Minimisation.										Information System) by converting volume to tonnage.
			Tonnes of builder's rubble diverted.	20%	8 224	40 000	10 000	10 000	10 000	10 000	Number of loads of crushed builders' rubble diverted for use as cover, landfill slopes stabilisation and for access road maintenance. Tonnages are calculated based on best industry practice (National Waste Information System) by converting volume to tonnage.
			Tonnes of dry waste diverted through Pikitup interventions (paper, plastic, glass, cans).	20%	25 991	38 000	6 000	10 000	10 000	12 000	Signed tonnage data sheets from Recycling SMMEs of tonnages of dry recyclables sold to buyers.
			Tonnes of municipal waste disposed at the landfill sites.	20%	1 389 121	1 389 121	288 374	342 644	376 796	381 307	Landfill weighbridge data.
			Number of drop of centers upgraded to Integrated Waste Management Facilities.	20%	4	7	1	2	2	2	Certification of practical completion of works.

7.5 TECHNICAL INDICATOR DESCRIPTION

TECHNICAL INDICATOR DESCRIPTION

KPI NO.	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
1	Percentage (%) Capital Budget Expenditure	The indicator describes the % of expenditure of the approved capital budget	The indicator tracks the amount of expenditure of the Pikitup capital budget towards strategic and/or service delivery projects	SAP report reflecting invoice payments	Actual number of payments made on valid invoices received	None	The indicator is output based	The indicator is cumulative	The indicator is reported quarterly	This indicator is not new	That each quarterly target is met with the cumulative % expenditure annually to be achieved at 100%	Pikitup
2	Percentage (%) SMME procurement expenditure	The indicator describes the % of expenditure on small, medium sized and women-owned businesses	The indicator is important as it supports the IDP, GDS and Mayoral priority related to economic development	SCM procurement register, SAP report reflecting payments to SMME's	A = sum of (BxC) where: A is a sum of total procurement spend B) is the total value of procurement falling within the total measured procurement spend from each supplier C) is the female ownership status as confirmed by BEE certificate	None	The indicator is output based	The indicator is cumulative	The indicator is reported quarterly	The indicator is not a new	The desired performance is that the approved quarterly % expenditure target is met at 100%	Pikitup
3	Percentage (%) of valid departmental invoices paid within 30 days of invoice date	The indicator describes the number of valid invoices paid within 30 days from date of receipt of the invoice	The indicator is important as it is a regulatory requirement that Pikitup must comply with	The SAP payment report	The actual number of invoices received, verified, approved, submitted for payment and payment released on SAP	None	The indicator is output based	The indicator is cumulative	The indicator is reported quarterly	This is not a new indicator	The desired performance is that 100% of all valid and approved invoices are paid within 30 days	Pikitup

4.1279

KPI NO.	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
4	Reduction in disabling injury frequency rate (DFIR)	DIFR is a proportional representation or indicator of the occurrence of occupational disabling injuries	The indicator is important in that it is a regulatory requirement for Pikitup to as part of its occupational health and safety obligations, record, report injuries and deaths, and to track the impact of same and develop strategies to ensure zero harm	Incident reports	<u>Disabling Injury Frequency Rate (DIFR)</u> = (No. of Dis x 200 000) divided by total man-hours worked, for the period (month, year, etc.) under review. The DIFR is a ratio related of an injury per 200 000 man-hours worked	None	The indicator is input, activity and output based in that OHS systems, training are the inputs that guide the entity's activities which in turn result in a reduction in the DFIR	The indicator is cumulative	The indicator is reported quarterly	The indicator is not new	The desired performance is that the DIFR is reduced per quarter and annually	Pikitup
5	Audit opinion obtained from Auditor General South Africa (AGSA)- (Annual Target)	The indicator tracks the audit results/opinion obtained by Pikitup from the regulatory audit by AGSA.	This indicator is important to align to principles of good governance, adherence with generally accepted accounting principles, industry standards	Documentation from various business areas related to the scope of the external audit	The formula for the indicator is the Audit opinion as defined by the Office of the Auditor-General across a qualitative scale.	None	The indicator is output driven	The indicator is non-cumulative	The indicator is reported annually	The indicator is not new	The desired performance is a clean audit	Pikitup
6	Percentage (%) resolution of Auditor General findings (Annual Target)	The indicator tracks the rate of resolution of Auditor General findings of the previous financial year	The indicator is important in that closure of findings ensures that risk management, governance, and internal control processes are operate effectively	Documentation from various business areas related to the scope of the external audit	Calculation of the % of auditor general findings closed versus the total number of internal audit findings of the prior financial year	None	The indicator is output driven	The indicator is cumulative	The indicator is reported annually	The indicator is not new	The desired performance is 100% closure of audit general findings	Pikitup

4.1280

KPI NO.	KPI	SHORT DEFINITION	PURPOSE IMPORTANCE /	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE INDICATOR OF	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
7	Percentage (%) resolution of Internal Audit findings (Annual Target)	The indicator tracks the rate of resolution of internal audit findings of the previous financial year	The indicator is important in that closure of findings ensures that risk management, governance, and internal control processes are operate effectively	Documentation from various business areas related to the scope of the internal audit	Calculation of the % of internal audit findings closed versus the total number of internal audit findings of the prior financial year	None	The indicator is output driven	The indicator is cumulative	The indicator is reported annually	The indicator is not new	The desired performance is 100% closure of internal audit findings	Pikitup
8	% participation in separation at source	Increase the number areas participating in separation at source	The indicator is important in that separation at source is a regulatory requirement and assists in diversion of waste away from landfills	Trip sheets of areas where separated waste is collected	Calculation of the tons of dry waste collected	None	The indicator is output driven	The indicator is cumulative	The indicator is reported quarterly and annually	The indicator is not new	The desired performance is that all areas of Johannesburg participate in separation at source	Pikitup
9	Refurbishment of garden sites into IWMF in accordance with GDARD requirements	The indicator tracks the construction and improvement of Pikitup sites into integrated waste management facilities so that Pikitup is geared for improved service delivery	The indicator is important in that Pikitup is obliged to repair and maintain facilities and improve facilities for improved service delivery	Acquisition plan and certificate of completion of each site	None	None	The indicator is output driven	The indicator is non-cumulative	The indicator is reported quarterly and annually	The indicator is not new	The desired performance is that all pre-determined sites to be refurbished are	Pikitup
10	Percentage (%) landfill compliance to GDARD regulations and permit conditions (Annual Target)	This indicator tracks the extent to which Pikitup is complying with the legislated standards of landfill management	Compliance with license and/or permit requirements is a regulatory requirement, which if not done could result in landfill closure, imprisonment and fines	Report from independent auditor	The indicator is calculated on the number of licence conditions complied with versus that which were not complied which at each landfill and a calculation of the average compliance levels of all landfills	None	The indicator is activity driven	The indicator is non-cumulative	The indicator is reported annually	The indicator is not new	The indicator is to be performed at a 95% average compliance level taking into account the average compliance of all landfill sites	Pikitup

4.1281

KPI NO.	KPI	SHORT DEFINITION	PURPOSE IMPORTANCE /	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE INDICATOR OF	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
11	Tons of green waste diverted	The indicator measures tonnages of green waste diverted away from landfills	Measurement of tons of waste is a regulatory requirement	The weighed data/slips stating the volume and/or quantity of tons of green waste diverted to the Pikitup garden sites	Tons = Volume of the truck x Average density of the shredded material, where Average density of shredded material = 450kg/m ³	None	The indicator is output driven	The indicator is non-cumulative	The indicator is reported quarterly and annually	The indicator is not new	The indicator is to be performed at the pre-determined annual and quarterly tons to be diverted	Pikitup
12	Tons of dry waste diverted	The indicator measures tons of dry waste that has been separated at source and recycled and/or sold	Measurement of tons of waste is a regulatory requirement	Weighbridge data/slips showing the number of loads of dry waste separated at source	Tonnages = Kilograms of dry waste / 1000	The indicator is output driven	The indicator is output driven	The indicator is non-cumulative	The indicator is reported quarterly and annually	The indicator is not new	The indicator is to be performed at the pre-determined annual and quarterly tons to be diverted	Pikitup
13	Tons of builder's rubble diverted	The indicator measures the tonnages of crushed builder's rubble material that is used as an alternative intervention to divert builder's rubble away from landfills.	The main purpose of this KPI is to divert as much builders' rubble away from landfill as possible in order to save landfill airspace and prolong the lifespan of currently active landfill sites. Therefore the crushing of builder's rubble has been identified as an activity that can divert builders' rubble away from the landfill sites because the material that is crushed gets re-used as an additional material source for landfill covering.	Weighbridge data/slips showing the number of loads of crushed builder's rubble stockpiled for use as cover and access road	Tons are calculated based on best industry practice (National Waste Information System) to convert volume to tonnage	The indicator is output driven	The indicator is output driven	The indicator is non-cumulative	The indicator is reported quarterly and annually	The indicator is not new	The indicator is to be performed at the pre-determined annual and quarterly tons to be diverted	Pikitup

4.1282

KPI NO.	KPI	SHORT DEFINITION	PURPOSE IMPORTANCE /	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE INDICATOR OF	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
14	Tons of waste disposed at landfill	The indicator tracks the reduction in the disposal of waste at landfill sites	The importance of the indicator lies in the fact that landfill sites have limited airspace and in order to prolong availability of landfill airspace	Weighbridge data/slips showing the number of loads of waste disposed at the landfills	Gross Vehicle Mass – Vehicle Tarre Weight = total Nett Weight	None	The indicator is output driven	The indicator is non-cumulative	The indicator is reported quarterly and annually	The indicator is not new	The indicator is to be performed at the pre-determined annual and quarterly tons to be disposed	Pikitup
15	Number of formal households receiving weekly waste removal services	The indicator measures the formal households receiving a minimum of once weekly waste collection service from Pikitup	The indicator is important as it monitors the extent to which Pikitup is performing its legislated mandate	Trip sheets	Round Collected Refuse household dwellings per GIS are reconciled with trip sheets	None	The indicator is output based	The indicator is output based	The indicator is reported quarterly and annually	The indicator is not new	The desired performance is that all households identified in the GIS are provided waste services daily	Pikitup
16	Number of illegal dumping spots rehabilitated	The indicator is aimed at tracking the illegal dumping spots that have been rehabilitated for purposes of recreational use for the community	The indicator is important in that it supports the governments objective of clean Cities	Trip sheets	Simple count of the number of predetermined illegal dumping spots eradicated across the City. 7.4.1.	None	The indicator is output based	The indicator is cumulative	The indicator is reported quarterly and annually	The indicator is not new	The desired performance is that pre-determined illegal dumping spots are all cleaned	Pikitup
17	Percentage (%) of all City recognized informal settlements provided with integrated waste management services	The indicator describes the proportion of recognized informal settlements within the metropolitan area which are receiving integrated refuse collection and cleaning services	Upgrading informal settlements is a critical government funding programme to promote secure and healthy living environments; and to address social and economic exclusion of the poor. Such upgrading is also endorsed by the IDP, GDS and Mayoral Priorities	The indicator source is trip sheets referencing each informal settlements serviced each day	The indicator calculation involves a simple verification of trip sheets to the number of informal settlements serviced, which is also supported by physical monitoring of services	Pikitup lacks an electronic system that does not involve human intervention. Trip sheet are open to manipulation	The indicator measures the performance of the activity of waste removal by Pikitup within informal settlements	The indicator is cumulative, in that in each quarter the indicator target must be met	The indicator is reported quarterly and annually	The indicator continues without change from the previous year	Desired performance is to be at 100% of the indicator target	Pikitup

4.1283

KPI NO.	KPI	SHORT DEFINITION	PURPOSE IMPORTANCE /	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE INDICATOR OF	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
18	Improved cleanliness levels	The indicator tracks the continuous cleaning of pre-determined streets, and that the cleaning is done at defined level of service standard 1	The indicator is important in that it supports the governments objective of clean Cities	The indicator source is photographic evidence of before cleaning and after cleaning	Based on average per quarter which is informed by monthly statistics	None	The indicator measures the performance of outputs	The indicator is not cumulative	The indicator is reported quarterly and annually	The indicator is not a new change from the previous year	The desired performance is to be level of service 1	Pikitup
19	Number of work opportunities created through Expanded Public Works Programmes (EPWP).	The indicator tracks the number of EPWP opportunities created for beneficiaries	The indicator is important as it is a government imperative to provide employment opportunities to alleviate unemployment, poverty.	The indicator source is the SAP payroll report and individual EPWP contracts	The indicator involves a calculation of the number of opportunities created versus the target	None	The indicator is output driven	The indicator is cumulative	The indicator is reported quarterly and annually	The indicator is not new	The desired performance is that the targeted number of EPWP opportunities are created	Pikitup

8. FINANCIAL IMPACT

8.1. Capital Investment Plan

The allocation of funding is largely driven and prioritised by the City of Johannesburg's Capital Investment Management System (CIMS). This looks at Mayoral initiatives i.e. IDP Flagship projects, service delivery, sustainable cluster alignment and Social Projects etc.

The capital plan continues to focus on rolling out of projects and the renewal of infrastructure and capacity upgrades. As far as possible, the focus of the capital budget is aligned with the City of Johannesburg's GDS 2040 vision, as well as with that of the IDP and Master Programmes.

Pikitup is in the process to develop an impact pathway on how to achieve the waste minimisation targets from 2016 and beyond. The strategy will have an impact on the infrastructure, equipment and fleet requirements of Pikitup and thus the capital allocation for the following years will only be confirmed in the next business plan. The capital programme has to support the intention to change the business towards waste minimisation.

The following is a summary of the 4 year Capital Investment requirements aimed at supporting Waste Minimisation. As shown below, the bulk of the required budget is towards waste minimization projects. It should be noted however that the approved capital allocation has been reducing over the mid-term period.

4.1284

Table 8.1.1: Proposed Capital Projects

Pikitup Medium Term Capex Budget	2018/19		2018/19	2019/20	2019/20		2019/20	2020/21	Proposed		2020/21	2021/22
	Approved Budget	Adjustment	Approved Revised Budget	Approved Budget	Propose Revised Budget	Adjustment (19 Feb 2019)	Revised Budget	Approved Budget	Revised 2020/21	Adjustment (19 Feb 2019)	Revised Budget	Revised Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Bins Skip - refuse waste collection new plant and equipment	5 000		5 000	5 000	5 000		5 000	17 174	10 000	2 000	12 000	5 000
Facilities for Separation at Source (City wide)	6 067		6 067	20 000	20 000		20 000	36 080	36 080	-	36 080	40 000
Garden site recycling new waste collection	-		-	-	-		-	40 877	40 877	-40 877	-	-
Landfill - Ennerdale new buildings, alteration	-		-	-	-		-	-	-	-	-	-
Landfill - Goudkoppes new buildings, alteration	-		-	-	8 250	-8 250	-	12 862	12 862	-12 862	0	8 250
Landfill - Kya sands new buildings, alteration	-		-	35 000	-		-	85 348	85 348	-85 348	-	-
Landfill - Marie Louise new buildings, alteration	-		-	-	-		-	-	-	-	-	-
Landfill - Robinson deep new buildings, alteration	1 000		1 000	1 000	7 250		7 250	77 862	17 543	-	17 543	35 000
Transfer station - New waste collection Linbro park	-		-	30 000	-		-	85 385	85 385	-85 385	-	-
Bins underground and 240 litre bins, new plant and equipment	1 000	-1 000	-	1 000	3 500	-3 500	-	5 000	5 000	-5 000	-	-
New plant and equipment	1 000		1 000	1 000	-		-	2 290	-	-	-	7 500
Facilities renewal, upgrade and new depot	42 700	-8 000	34 700	46 975	90 780	-50 780	40 000	95 664	153 528	-113 528	40 000	40 000
Garden sites, buyback centres and sorting facilities	37 450		37 450	40 072	45 267		45 267	34 347	47 983		47 983	
Landfill new cell development	-		-	-	-		-	-	-	-	-	-
ICT hardware and software	2 000	-1 000	1 000	-	-		-	-	-	-	-	10 000
Branding and signage	-		-	-	-		-	-	-	-	-	-
Composting Organic Waste	-		-	-	-		-	-	-	-	-	-
EIA for all Pikitup waste facilities (including depots, landfills, garden sites)	-		-	-	-		-	1 717	-	-	-	-
Procure land for new new Integrated Waste Management Facility	-		-	-	-		-	-	-	-	-	-
Current Approved budget for Pikitup	96 217	-10 000	86 217	180 047	180 047	-62 530	117 517	494 606	494 606	-341 000	153 606	145 750

8.2. Financial Targets

8.2.1. Financial Sustainability

Financial sustainability is essential to achieve the strategic imperatives of the organisation and the Shareholder. The diligent enforcement of MFMA cost containment circular 82 as issued by National Treasury will continue to assist with containing operational costs and eliminate non-essential expenditure. The table below illustrate the financial ratios based on budgeted numbers against the CoJ financial targets. Measures will be put in place to remain prudence on expenditure to be incurred and also to strictly apply Circular 82 of cost containment measures. It is the entity objectives to at least maintain all the positive financial ratios while striving to achieve the City's targets.

Table 8.2.1 Performance Dashboard and financial Ratio's

Ratio summary	Pikitup 2019/20 Budget	CoJ Target
Debt (Total Borrowings) / Revenue	53%	45%
Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	13%	8%
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)-In Months	0	1-3 months
Current Ratio	1,57	1.5 - 2:1
Net Operating Surplus Margin	0%	>0%
Remuneration as % of Total Operating Expenditure	51%	25%-40%
Interest Expense to Total Operating Expenditure	3%	8%
Solvency	1,06	2.1: 1
The cash/cost coverage is not relevant for Pikitup as all cash is swept to the City.		

Details explanation of the financial ratios:

a) Debt/Revenue

The entity's debt is mainly intercompany, hence any interpretation of this ratio will not be a true reflection of the entity's financial position. This ratios is mainly applicable to City who borrows money on behalf of the entities.

b) Repairs and Maintenance/PPE

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The ratio is considerably higher than the CoJ target , though this is mainly due to the CoJ owned fleet being beyond its economic lifespan (i.e. The asset value has been decreased via depreciation and high levels of maintenance is required to keep the vehicles serviceable). This reflects the amount of money being to be spent on repairing assets instead of maintaining assets.

c) Cost Coverage

The City target that requires an entity to have cash reserve to finance its operating activities for 30 days or more has been consistently been met by Pikitup. The cash is accounted for as intercompany receivable as the money is swept on a daily basis by the City. However for budgetary purposes the Pikitup cash balance is limited to petty cash, and the ratio is thus irrelevant.

d) Current ratio

Based on budgeted amounts/numbers, current ratio will remain within the City targets.

e) Net Operating Surplus Margin

The requirement of having a positive margin is against the balanced budget concept, however Pikitup has been profitable for the past four financial years. Commercial service unit will continue to contribute towards the surplus of the entity.

f) Remuneration as a percentage of total expenditure

Due to the labour intensive nature of the waste industry Pikitup has never met the City target – the absorption of staff during the 2018/19 financial year caused the percentage to increase even further.

g) Interest expenditure as a percentage of total expenditure

Majority of the loans are intercompany loans and don't attract interest, hence the ratio is within the target. We aim to maintain this positive ratio.

h) Solvency ratio

The ratio is below the target though it is a positive ratio. The company assets exceed the entity's liabilities. We will strive to improve this ratio however this ratio is impacted by activities that are not necessarily within the entity's control.

8.3. Operating Budget for 2019/20 Financial Year

Table 10.3: Budget Summary

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Statement of Financial Performance	2017/18	2018/19			2019/20			2020/21			2021/22
	Actual	Approved Budget	Revised Budget	Variance	Approved Budget	Revised Budget	Variance	Approved Budget	Revised Budget	Variance	Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Commercial	265 945	278 455	278 455	0	295 162	295 145	(17)	312 872	312 493	(379)	330 470
Domestic	1 235 586	1 261 439	1 344 767	83 328	1 337 126	1 434 542	97 416	1 417 354	1 512 008	94 654	1 590 632
City Cleaning Levy	171 641	137 619	166 871	29 252	145 876	176 049	30 173	154 628	185 555	30 927	195 204
Interest on Outstanding Debtors	22 935	16 992	18 507	1 515	18 011	19 525	1 514	19 092	20 579	1 487	21 649
Grants	2 400	-	11 750	11 750	-	-	-	-	-	-	-
Other Income	3 276	4 766	1 899	(2 867)	5 052	4 147	(905)	5 355	4 372	(983)	4 599
Interest Earned on Sweeping Account	11 758	7 950	8 950	1 000	8 427	9 442	1 015	8 930	9 952	1 022	10 470
CoJ Service Fee	617 166	626 701	540 076	(86 625)	667 938	636 308	(31 630)	707 909	674 767	(33 142)	715 637
Total Income	2 330 707	2 333 922	2 371 275	37 353	2 477 592	2 575 159	97 567	2 626 140	2 719 727	93 587	2 868 661
Staff Costs	973 083	1 224 138	1 213 380	(10 758)	1 297 621	1 315 936	18 315	1 374 909	1 390 348	15 439	1 473 042
Provision for Bad Debt	151 905	93 198	123 198	30 000	98 790	130 918	32 128	104 717	138 083	33 366	145 381
Depreciation	101 791	111 093	101 749	(9 344)	117 760	111 394	(6 366)	124 825	120 209	(4 616)	128 261
Repairs and Maintenance	6 037	13 814	14 214	400	14 635	14 996	361	15 516	15 806	290	16 628
Fleet & Third Party Contractors	647 917	540 458	558 885	18 427	575 355	580 119	4 764	607 686	610 613	2 927	637 559
Other Expenses	190 553	217 905	260 000	42 095	232 091	247 688	15 597	249 487	261 050	11 563	274 624
Interest Paid	57 809	60 594	62 840	2 246	64 232	72 748	8 516	68 083	76 676	8 593	80 663
Intercompany Costs	22 079	72 722	37 009	(35 712)	77 108	101 360	24 252	80 917	106 941	26 024	112 503
Total Overheads	2 151 175	2 333 922	2 371 275	37 353	2 477 592	2 575 159	97 567	2 626 140	2 719 726	93 586	2 868 661
Surplus/(Deficit)	179 532	0	0	0	0	(0)	0	0	1	(1)	0

For the 2019/20 financial year Pikitup's approved operating budget amounts to R 2 478 million. It should be noted that in the previous (2017/18) budget cycle the CoJ rebased budgets downwards, thus the approved budget for 2019/20 is at a low base. The revised budget amounts to R 2 575 million, an increase of R98 million.

It is however, envisaged that revenue will increase during the 2019/20 financial year by R98 million as per the table above when comparing the revised budget with the approved budget.

The increase in revenue is mainly due to increases in the following revenue streams:

- Domestic revenue,
- City leaning levy.

The CoJ service fee for non-income generating services reduced by R 32 million from R 668 million to R 636 million due to budget reductions introduced by the City after the submission of the first proposed revised budget.

The budget will enable Pikitup to:




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- Correct the budget shortfalls for Interest and Yellow plant costs.
- Expand maintenance programmes for much needed repairs and maintenance at the depots and garden sites.
- Increase debt impairment budget to make provision for customers not paying for services.

8.4. Performance Dashboard and Other Financial Ratio's

The Table below illustrate performance dashboard and financial ratios that will be used by Group Governance unit to assess the entity's performance. The entity aims to be no.1 within the sustainable cluster of the City.

4.1289

1. LEGENDS TABLE			
SECTION			
Surplus (deficit)	Achieved	N/A	Not Achieved
Liquidity	Met City benchmark for liquidity of 1:1	N/A	Did not meet City benchmark for liquidity of 1:1
Solvency	Met City benchmark for solvency of 2:1	N/A	Did not meet City benchmark for solvency of 2:1
Cost coverage	50 days or more	Less than 50 days more than 30 days.	Less than 30 days.
Capital expenditure	95% and above	80% -94%	79% and below
Performance against service delivery standards	Achieved	N/A	Not Achieved
Performance against predetermined objectives	85% or more of the target has been achieved.	65%-84% or more of the target has been achieved.	Less than 65% of the target has been achieved.
Audit findings affecting the audit opinion/report.	100% of the targeted findings have been resolved by management.	N/A	Less than 100% of targeted findings have been resolved by management.
State of internal controls (Internal Audit Opinion?)	Controls are adequate and effective.	Controls are adequate and ineffective.	Controls are inadequate and ineffective.
Internal audit findings	100% of the targeted findings have been resolved by management.	50%-99% of the targeted findings have been resolved by management.	Less than 50% of targeted findings have been resolved by management.
Non-compliance to legislation	Reported with remedial actions taken to ensure compliance	N/A	Entity not complying with key legislation/Not reported
Procurement spend on BBBEE Suppliers	Achieved	N/A	Not Achieved
Supply Chain Deviations	Reported and concluded in line with SCM regulations.	N/A	Reported and not in line with SCM regulations
Payments within 30 days	Achieved	N/A	Not achieved
Irregular, Unauthorised, Fruitless & Wasteful Expenditure	None/Condoned	Reported with corrective action taken	Reported with no steps taken/Not reported.

9. RISK ASSESSMENT

9.1. Risk Management Process

The company has adopted an ISO accredited Risk Management Process of Risk Identification, Monitoring and Review, Communication and Consultation. The ISO standard is to be applied within existing management systems to formalize and improve risk management processes and as part of strategic management implementation. Subsequently, when implementing the ISO standard, attention is given to integrating existing risk management processes in the new paradigm addressed in the standard. The Pikitup risk management framework therefore centres on:

- Transferring accountability gaps in enterprise risk management;
- Aligning objectives of the governance frameworks with ISO 31000;
- Embedding management system reporting mechanisms
- Creating uniform risk criteria and evaluation metrics.

Risk Identification

The Board approved the revised Risk Management Policy in 2019, which included the Risk Management Strategy and Methodology. The approved policy documents provide the company with a strong foundation for an efficient and effective ERM programme. A risk assessment was undertaken as part of the process of

- Identifying Operational Risks;
- Identifying and assessing Strategic Risks
- Setting the risk appetite and tolerance levels

The Strategic Risk Assessment focused primarily on risks that are strategic in nature, that have an impact to the achievement of the strategic intent and value propositions as per the business plan. A workshop and brainstorming technique was implemented as part of the risk assessment process. This allowed collection, sharing of ideas and strategic discussions of the events that could impact the achievement of objectives, stakeholder expectations and key dependencies. The process of ERM matured not only to assessment and monitoring of Strategic Risks (Top down approach) but to a (bottom up approach) with the following processes implemented:

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- Operational Risk Assessment
- Fraud Risk Assessment
- Ethics Risk Assessment
- Compliance Risk Assessment
- Risk Assessment and Treatment

Once risks have been identified, they must then be subjected to a consistent assessment process to ensure that Pikitup achieves an objective and holistic result that can inform its risk profile. Pikitup has 6 (six) strategic risks as follows:

Table 9.1: Pikitup 2019-20 top six (6) strategic risks

Ranking	Risk Description	Risk Category	Inherent Risk	Residual Risk
1	Unavailability of waste management infrastructure	Service Delivery Continuity / Customers	25	22.5
2	Inadequate and ineffective fleet	Service Delivery Continuity / Customers	20	15
3	Deterioration of the city cleanliness level	Environment	20	15
4	ICT Failure	Information / IT	15	13.5
5	Labour Unrest	Service Delivery Continuity / Customers	12	9
6	Inadequacy of human resources	People effects	12	9

10. ORGANISATIONAL ENVIRONMENT

10.1. Board of Directors

Pikitup has a unitary board, which consists of two Executive Directors and nine Non-Executive Directors. The Board is chaired by Ms Nompumelelo Mkhize. The Board meets quarterly, and retains full control over the Company. The Board is accountable to the City of Johannesburg Metropolitan Municipality (the Company's sole shareholder) and its stakeholders, the Citizens of Johannesburg. A Service Delivery Agreement (SDA), concluded in accordance with the provisions of the (Municipal Systems Act) (MSA) governs the Company's relationship with the City of Johannesburg. The Company provides monthly, quarterly, bi-annual and annual reports on its performance and service delivery to its parent municipality as prescribed in the SDA, the MFMA and the MSA. Such reports are submitted within the stipulated timeframes.

The Non-Executive Directors contribute an independent view to matters under consideration and add to the depth of experience of the Board. The roles of Chairperson and Managing Director of the Company are separated, with responsibilities divided between them. The Chairperson has no executive functions. Members of the Board have unlimited access to the Company Secretary, who acts as an advisor to the Board and its Committees on matters including compliance with company rules and procedures, statutory regulations and best corporate practices. A Board self-evaluation and a Shareholder evaluation is undertaken on an annual basis.

The Memorandum of Incorporation provides that the Directors of the Company shall be appointed in accordance with the COJ Group Policy or any policy determined by the Shareholder from time to time. The Board membership of the Directors is reviewed at the Annual General Meeting of the Company.

The Board currently consists of nine Non-Executive Directors and two Executive Directors who are the Managing Director and the Chief Financial Officer, and is guided and administered by a Company Secretary as indicated below:

Non-Executive Directors

Ms Nompumelelo Mkhize
 Ms Tholeka Mafanya
 Mr Vongani Mathebula
 Mr Louis Verveen
 Mr Thulani Zwane
 Prof. J Snyman
 Mr C Mayne
 Ms S Bogatsu
 Mr L Brenner
 Mr R Buys (IAC)
 Mr W Hattingh (IAC)

Ms S Malope (IAC)

Executive Directors

Ms B Njingolo (Managing Director)
Mr L Matsila (Chief Financial Officer)

Company Secretary

Ms C Louw

10.2. Board Committees

In terms of the provisions of the Board Charter, the Board is mandated to form subcommittees necessary for carrying out its fiduciary responsibilities. In addition, in line with principles of good corporate governance set out in the King IV Report, the Board is required to determine formal terms of reference for its subcommittees to ensure effective decision-making, monitoring and reporting. Such terms of reference have been developed and approved by the Board. The board has convened the following three sub-committees: Audit and Risk Committee, Operations and Service Delivery Committee, and Social, Ethics and Human Resources Committee. These committees are governed by the charters approved by the Board of Directors.

Audit and Risk Committee

The role of the Audit Committee is to assist the Board by performing an objective and independent review of the functioning of the Company's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with senior Management and the internal and external Auditors. The Audit Committee operates in accordance with a written charter authorised by the Board, and provides assistance to the Board with regards to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosures;

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- Matters relating to risk management;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Reviewing and recommending the approval of external audit plans, findings, reports and fees;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with the Code of Ethics.
- Recommend approval of the Acquisition Plan
- Recommend and provide input into the multi-year Business Plan
- The Committee further advises the Board and assists the Board in discharging its responsibilities for information technology (IT) governance.

Social, Ethics and Human Resources Committee

The Committee advises the Board on the institutionalisation of ethics in the internal structures, systems and processes of the company. The Social and Ethics Committee ensures that there is strong emphasis on the responsibility of the Company towards the communities in which the company operates, social transformation within the workplace, and the protection of the safety, health and dignity of employees, remuneration policies, remuneration packages and other terms of employment for executive Directors and senior Management. Its specific terms of reference also include recommendations to the Board on matters relating to general staff policies, remuneration, performance bonuses, executive remuneration, remuneration, employment contracts, employee performance, and compliance with relevant legislation and strategic alignment with the objectives of the Company.

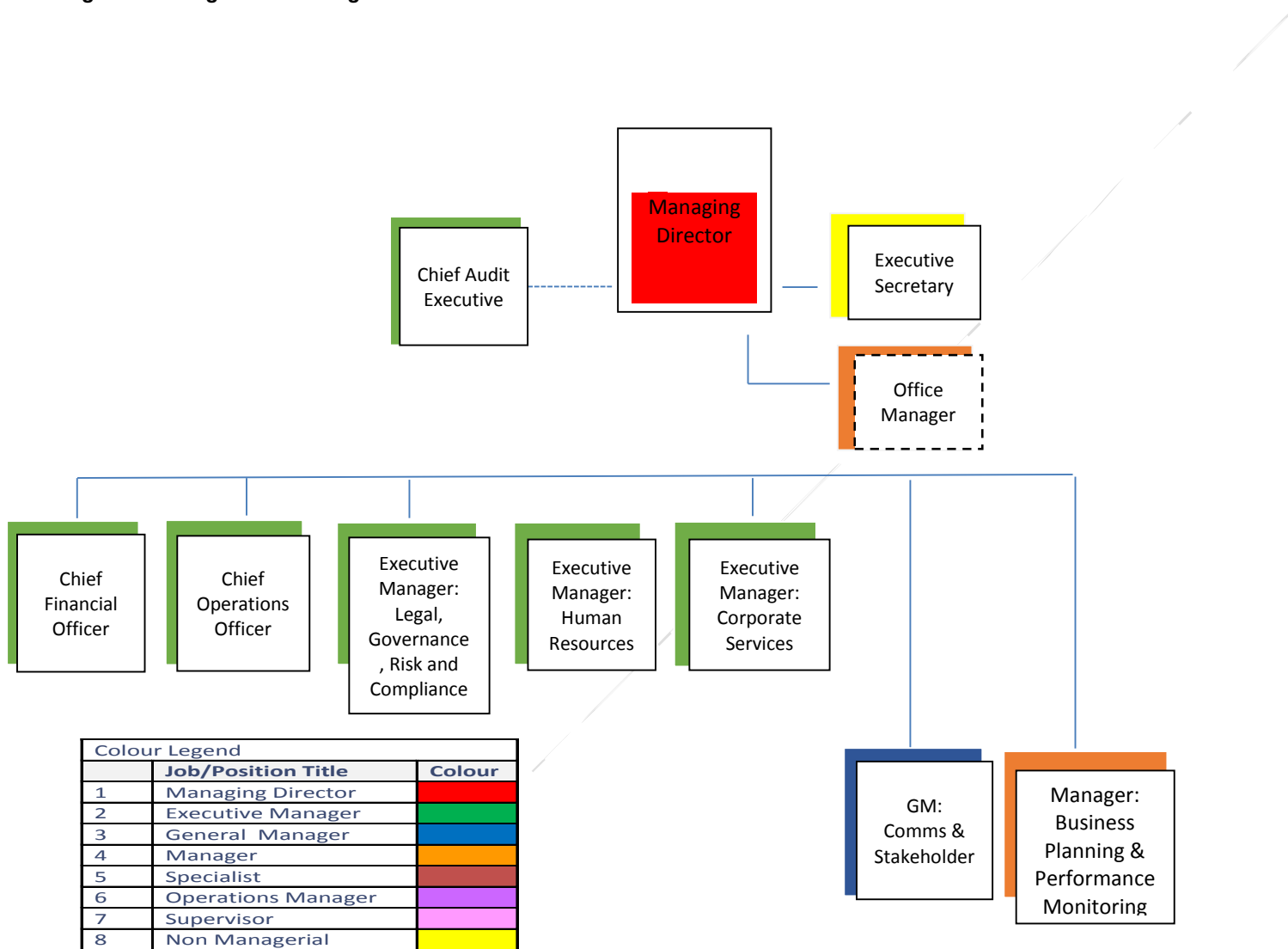
Service Delivery Committee

The main role of the Committee is to monitor and assess the achievement of the Key Performance Areas as set out in the Company Compact and SDBIP, including any special projects relevant to the performance of the Company. The Committee also ensure that information is appropriately and effectively shared between the various Committees of the Board and align reporting and integration of internal and external reporting requirements.

10.3. Office of the Managing Director

Pikitup has are six (6) Executives reporting directly to the MD.

Figure 12.3: High Level Management Structure



11. HUMAN CAPITAL PLAN

11.1. Demographics and Equity Profile

Table 13.1: Pikitup Staff Demographic Profile

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management (Perm)	2	1	0	2	2	0	0	0	7
Professionally qualified	32	3	2	8	33	3	1	1	83
Skilled technical	82	8	0	7	90	4	2	0	193
Semi-skilled	333	10	0	0	103	0	0	1	447
Unskilled	2237	4	0	0	2447	13	0	0	4701
Permanent employees	2686	26	2	17	2675	20	3	2	5431
Non-permanent employees (FTC)	3	0	1	0	1	1	1	0	7
TOTAL	2689	26	3	17	2676	21	4	2	5438

The total staff complement as at January 2020 is **5438**.

Relative to both national and regional demographics, the employment equity data for Pikitup reflect a disproportionately high representation of African staff (98.7%) at all levels except senior management where a slightly greater level of diversity is evident. African staff make up 98.7% of total staff. Women are also adequately represented at all levels except in the semi-skilled categories. Overall women make up 50% of total staff complement.

11.2. People with Disabilities (PwD's)

The target for People with Disabilities nationally, is 2% of total staff. According to available data, staff with disabilities make up 0.07% of total staff at Pikitup. This may however be due in some measure to staff not declaring their disability status. The EEA1 Form (Employment Equity Declaration) will be circulated to all staff to improve our data.

11.3. Employment Equity Strategy

In the 2020/21 financial year, the lack of race and disability diversity in almost all occupational categories will be addressed. Strategies include:

- Profiling of Pikitup's approach to diversity and commitment as an equal opportunity employer and an employer of choice in all job advertisements
- Placing a greater emphasis on inclusivity and diversity in marketing strategies using images that are reflective of diversity and equality which also dispel stereotypes about racially based job reservation
- Monitoring of selection processes
- Targeted headhunting
- Employee diversity and inclusivity surveys and diversity training for senior managers

11.4. Vacancy Rate

The revised organisational structure for Pikitup was approved on 15 April 2019.

The HR Department will be focussing on bringing stability to the workforce in the new fiscal year. A priority will be the redeployment of employees who were displaced in the revised organisational structure, finalising the 1162 acting appointments regularisation process, finalising of appeals for Jozi@Work/2010 absorption, filling of critical vacancies, revising job descriptions and procuring signatures of incumbents.

The table below reflects the vacancy rate based on the new structure.

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Table 11.4.1: Vacancy Rate based on the 2019 Approved Organisational Structures

NEW STRUCTURE						
Job Bands	No. of Posts	Filled Posts	Vacant Posts	Positions (Personal Holder)	To	Percentages
F1	7	4	3	0		43%
E1	18	7	11	1		61%
D	137	62	75	13		55%
C	387	242	145	0		37%
B	684	450	234	1		34%
A	5140	4677	463	0		9%
Total	6373	5442	931	15		15%

11.5. Performance Management

The new performance management policy has been developed and to be fully operational in 2019/20. The focus in this period will be on training of managers on the system as well as greater monitoring by HR over the entire performance cycle.

11.6. Health and Wellbeing

A key concern for the organization is the aging workforce, especially amongst the General workers and the impact it may have on productivity and service delivery. Various programmes have been developed to address this human capital challenge. More programmes will be implemented during the 2019/20 financial year to ensure that, inter alia:

- Employee health becomes a strategic imperative for the company;
- Relevant and frequent health examinations are implemented;
- Illnesses and occupational diseases are monitored on an ongoing basis;
- Vulnerable employees who happen to be the core of the company, are continuously educated on various health issues.
- Debt management receives comprehensive attention from the Wellness department

Employee Wellness programmes that will be implemented to improve the health and wellbeing of employees. The focus will be on Incapacity and Absenteeism Management as follows:

4.1299

- Proactive and leading edge interventions will be implemented to address incapacity and absenteeism problems.
- Incapacity and Absenteeism management to be prioritised at depot level to ensure a decrease in a number of these cases and a well-managed, equitable and fair management of these cases.

11.7. Skills Development

The entity's skills development programme for 2019-20 is to attract and retain critical and scarce skills. The implementation of the new strategy entails that the company develops new initiatives to ensure that it occupies its rightful place as a thought leader in waste management. The new business operating model also requires Pikitup to have skills and expertise related to the new functions of the organisation. Special focus to be given to the training and development of lower level employees with provision of Adult Education and Training (AET) (257 employees), Grade 12 (150 employees), Environmental Practice Level 3 (164 A and B Band employees), Environmental Practice Level 4 (70 B and C Band employees) and undergraduate courses (186 employees).

With the implementation of the new business operating model, it is critical that the existing staff are reskilled and trained to perform alternative functions. As part of the implementation of the new model, the skills required will have to be identified in order to match possible staff to the roles.

11.8. Sound Employee Relations

Ongoing structured engagement with organised labour will ensure that the company can continue to provide uninterrupted quality service to the citizens of the City, without the spectre of work stoppages. In 2019/2020, focus will be on reviving the Local Management Forum (LMF), improving channels of communication and consultation with organised labour and improving turnaround times for resolving disputes.

Our role is to continuously create a positive climate that supports workforce capabilities, staff engagement and a high performance service culture. We are governed by the following four main principles;

a) Constructive workplace relationship

Our role is to promote the resolution of workers issues at departmental and or depot level by facilitating and maintaining constructive relationship between organized labour and management.

b) Alignment with the strategic direction of the company

We strive to assist both organize labour and management to implement applicable company policies, labour law consistently to all level of employees so as to conform with the strategic direction of the company.

4.1300

c) Focus on Business outcomes

We will continue providing timely and accurate advice on employee relations issues to management and organized labour.

d) Governance and Compliance

We will continue to strive to assist management and organized labour to be compliant with legislative and policy frame work of the company.

We always encourage good faith relationship between organized labour and management by encouraging them to deal with one another honestly, openly and with mutual respect. Our key role as Employee relations, is to streamline the issues raised by parties (organized labour and management) to be dealt with in the relevant forums applicable within the company.

4.1301

12. PIKITUP SERVICE STANDARDS

The service standards outlined in the table below provides the targets on the turn-around times to be achieved by Pikitup in providing services in accordance to the agreed upon standards with the shareholder.

Table 12.1: Service Level Standards Key Performance Indicators

Service Standards KPI's	Baseline	2019/2020 Target	Monthly Target	Means of Verification	Standard Operating Procedure (SOP) in place (Yes or No)
Resolution of complaints	60%	90%	90%	SAP report	No
Collecting of general business waste	100%	100%	100%	Service Trip sheet	Yes
Collecting putrescible waste (wet waste) Within 24 Hours of logged call	100%	100%	100%	Service Trip sheet	Yes
Cleaning of illegal dumping spot within 2 days of call logged	100%	100%	100%	Service Trip sheet	Yes
Removal of animal carcasses Within 48 hours of call logged	100%	100%	100%	Service Trip sheet	No
Delivery of an ordered Skip bin by customer within 7 days	100%	100%	100%	Receipt of confirmation from the customer.	No
Delivery of new or replacement wheelie bins (240l) ordered by customer within 7 days.	100%	100%	100%	Delivery note and receipt of confirmation from the customer.	No
Collecting of refuse bags on the curbside	98%	98%	198%	Service Trip sheet	No
Collecting domestic waste	98%	98%	98%	RCR Service Trip sheet and weekly schedule	Yes
Households in informal settlements including backyard shacks (bag/bin/skip) /hostels (skips) receiving refuse removal services	100%	100%	100%	Service trip sheet.	Yes

13. RESEARCH, TECHNOLOGY AND SYSTEMS

An effective waste information system is an essential component of effective management and is considered a high priority. Garden Sites and other contracted facilities need to all record waste material tonnages and report regularly to Pikitup Depots, using the national reporting codes and systems. Recording and reporting by Pikitup needs to be efficient, accurate and readily available and electronically based to help have real-time information from all centres. Technology and integrated platforms will also be used to manage information in a more productive manner. The information will be able to assist management to identify problem areas proactively to implement the required mitigating actions as well as measure performance against targets.

Technology will play an important role in the implementation of the various processes as well as improving service delivery and productivity. In the 2020/21 financial year various technologies will be implemented to assist such as GPS trackers in all vehicles, RFID tags on bins and infrared sensors on skips for commercial customers. These are aimed at ensuring increased productivity and management. It is thus proposed that all new vehicles procured will have GPS installed as well as weigh-in-motion sensors. Where viable, new bins will have RFID tags to ensure data is updated based on the customer information as well as weights registered.

In addition new technological solutions will be investigated in order to use waste as a productive resource and minimise waste to landfills. Various technologies have been developed in the world and the best solutions for the City of Johannesburg is to be investigated. It is believed that solutions for the disposal of various waste streams such as organic waste, tyres and electronic waste could be addressed through technological interventions. Technology plays a role in reducing cost and improving the ability to handle, transport, process and dispose waste. Through monitoring, evaluating and interaction with technology providers (waste summit and learning trips) Pikitup can provide information on standards and technology requirements to meet growing and changing waste streams.

14. CONCLUSION

Pikitup is a wholly owned Company of the City of Johannesburg thus its Business Plan is aligned to the GDS and the IDP of the City of Johannesburg. The Pikitup business plan is being submitted to the Board and Council in compliance with Sections 16(2) and 87(2) and (3) of the Municipal Finance Management Act, 56 of 2003 (MFMA) for consideration and approval. The submission is in accordance with the MFMA as well as the Municipal Budget and Reporting Regulations to the MFMA.

Pikitup has faced various challenges and had some achievements. Pikitup is at a point where a change is required in the focus of the company from collecting and disposing of waste, to being the driver of the paradigm shift to reduce waste to landfills. This shift requires a different approach to operations, the projects that are implemented, allocation of resources as well as the supporting processes and staff that will be required. Going forward the company will spend significant amount of effort to ensure that structures and processes are put in place to address this paradigm shift and to address matters raised in the audit report. Pikitup identified and is implementing interventions working with all its stakeholders to ensure accurate billing and data integrity.

Pikitup is committed to continually improving its performance and the company is confident that it will exceed the expectation of all stakeholders.